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KINGSTON, ONTARIO

LETTER

ON THE

Increasing Public Expenditure of Ontario,

AND A

REPLY TO THE ATTACKS OF THE HON. GEO. BROWN THEREON,

WITH

OBSERVATIONS ON THE PRESENT STATE OF
DOMINION AFFAIRS.

BY

THE HON. D. L. MACPHERSON,
SENATOR OF CANADA,

ADDRESSED TO HIS FORMER CONSTITUENTS, THE ELECTORS
OF NORTH SIMCOE, GREY AND BRUCE.

1

“ My friends and myself thought, and my Administration now thinks * * * that
“ there should exist no other attitude on the part of the Provincial Government towards
“ the Government of the Dominion than one of neutrality. * * * We believe
“ that the Government of this Province ought not to assume a position of either alliance
“ or hostility towards the Government of the Dominion.”—HON. EDWARD BLAKE.

TORONTO :

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TO THE ELECTORS
OF THE
Counties of North Simcoe, Grey and Bruce,
CONSTITUTING FORMERLY
THE ELECTORAL DIVISION OF SAUGEEN,

GENTLEMEN,

Impelled by a sense of duty and cherishing the pleasant recollections of our former connection, I address you once more upon public affairs. In my former pamphlets I submitted facts relating to the administration of the affairs of the Dominion. In this I shall restrict myself mainly to a more limited but scarcely less important field—our own Province.

The Government of Ontario exercises greater and more direct influence than that of the Dominion over the rights and happiness of its own people. It, therefore, behoves them to watch the Provincial Administration with sleepless vigilance. I am prompted to examine into our home affairs by the course pursued by the Members of the Government of Ontario during the late Dominion elections, when those gentlemen conducted themselves as if their first duty were to secure the success of the Ministerial candidates, and to that end they perambulated the Province from Lambton to Glengarry.

INTERFERENCE OF LOCAL MINISTERS IN DOMINION
ELECTION.

In their public harangues, I regret to say that they indulged in the wildest misstatements : they boldly defended acts of the Dominion Government which they must have known were scandalous ; they devoted much time, as many of you know, to denying the accuracy of the financial statements which I had submitted to the public, although they must have been aware that every one of those statements was incontrovertible. In misrepresentation and abuse of me they rivalled Messrs. Mackenzie and Cartwright.

CONSPIRACY OF THE TWO GOVERNMENTS AGAINST
THE PEOPLE.

When I saw the members of the Local Government sacrificing consistency, dignity, and duty, and rushing into the political breach to save the unworthy

and the fallen, I came to the conclusion that the union between the Governments of Ottawa and Toronto was more in the nature of a conspiracy against the interests of the people than of an alliance in their defence, and that their active co-operation showed that they knew it would require the combined and unscrupulous efforts of both Governments to give to either of them the smallest chance of escaping from the wrath of a deceived, injured, and indignant people. If Mr. Mowat and his colleagues had possessed the proud consciousness that their Government was all it ought to be, they would have stood aloof from Mr. Mackenzie and his colleagues.

REVIEW OF ONTARIO ADMINISTRATIONS.

Before submitting statements of the expenditure of the Province, I shall review the history of the Administrations which have ruled in Ontario since the establishment of her Provincial autonomy. I do so for the purpose of exhibiting the spirit which animated and governed the leading Administrators.

It will be remembered that in 1864 the leading statesmen of Canada entered into a coalition to settle the issues which for many years had disturbed the Canadian body politic. In that coalition were men who had differed widely. Sir John Macdonald and the Hon. George Brown, Sir George Cartier and the Hon. W. Macdougall, Sir Alex. Galt and the Hon. Mr. Howland and others, associated themselves for the common purpose of removing barriers which had prevented them working together in the public service.

Their labors resulted in the union of all the British North-American Colonies except Newfoundland. The old issues being thus disposed of, it was expected that our public men would devote themselves to the great work of consolidating and knitting together in bonds of amity and interest all the Provinces of this young Dominion.

EVILS OF PARTYISM.—HON. GEORGE BROWN AND THE *GLOBE*.

Partyism, selfish, wicked partyism, had done much to mar the happiness of Canada, and the good men of all parties hoped that its discordant voice had been hushed. Unfortunately, however, before the conditions of union were even embodied in an Act of Parliament, the Hon. George Brown, for reasons which will probably be regarded by the future historian of Canada as wholly insufficient, retired from the Government. Not content with doing this, he employed the powerful newspaper of which he was and is the owner, the *Toronto Globe*, to rake up the expiring embers of old quarrels, and did all in his power to divide into hostile parties a people before whom there were absolutely no public questions upon which party lines could be drawn.

Sir John Macdonald, desiring to maintain the coalition character of his Cabinet, offered the seat vacated by Mr. Brown to Mr. Alexander Mackenzie, but he declined it, doubtless in deference to the wishes of the autocrat of the Reform party. Mr. Ferguson Blair acted with more independence and

patriotism and accepted the vacant seat. The Government was thus enabled to continue its good work, and Confederation became a fact.

SIR JOHN A. MACDONALD.—EFFORTS TO BURY ANCIENT DIFFERENCES.

When Sir John Macdonald was called upon to form the first Administration of the Dominion he preserved the coalition principle in the Ontario contingent. He did all in his power—as was his duty and the duty of all Canadians, to bury the dead differences of the past, and to unite and inspire with a feeling of brotherhood—in short, to Canadianize—the people of the different Provinces.

MR. BROWN, THE DISTURBER AGAIN.

But Mr. Brown, instead of aiding to remove disturbing elements, labored obstinately and with a persistency worthy of a better cause to restore the almost obliterated landmarks of defunct partyism. The people, however, were too intelligent to be imposed upon by shams, and they rebuked Mr. Brown in 1867 by sending a large majority to Parliament to support the Government of Sir John Macdonald.

SIR JOHN MACDONALD'S IMPARTIALITY.

I have already stated that the contingent of Ontario to the Ottawa Cabinet was coalition in character. It consisted of two gentlemen who had formerly been known as Conservatives and three who had been known as Liberals. In forming his Cabinet, Sir John was generous to Reformers. It was this Government that appointed the first Lieutenant-Governors, on whom devolved the duty of organizing the Provincial Executives. The first Lieutenant-Governor of Ontario was Major-General Stisted, the Commander of the Forces in the Province.

It is reasonable to suppose that, when appointing a military man to that office, the Administration at Ottawa indicated to him whom he should send for to form his Administration, and it may be assumed that it was at Sir John Macdonald's instance that Lieutenant-Governor Stisted appointed Mr. Sandfield Macdonald the first Premier of Ontario. Could Sir John Macdonald have given stronger evidence of his desire to obliterate and forget the differences of the past and to give to the public men of this Province the influence in its Government to which their prominence entitled them, regardless of their former party associations?

Mr. Sandfield Macdonald had been the unswerving opponent of Sir John Macdonald during the whole time that the latter had been in Parliament. He had always been a pronounced Reformer, but he was too independent and manly to be a vassal. He, therefore, never enjoyed the sunshine of Mr. Brown's favour. When a member of the Opposition in the old Canadian Parlia-

ment, Mr. Sandfield Macdonald neither had nor sought many followers, but, when Sir George Cartier's Government was defeated in 1862, he was called upon to form an Administration. He did so, and it ruled until the advent of the coalition in 1864.

FAIRNESS OF SANDFIELD MACDONALD.

When this honest Reformer was called upon to organize an Administration for Ontario, he governed himself by the spirit of justice which was demanded by the new order of things, and selected his colleagues from both of the pre-Confederation parties. I have reason to believe that the first man he asked to join him was, like himself, an old Reformer, a gentleman of high character, the Honorable John McMurrich. That gentleman, no doubt, consulted his leader, Mr. Brown, and he was advised, it was understood, not to enter the Cabinet unless it were composed exclusively of Reformers, of the Brown stamp. Mr. Sandfield Macdonald was not a man to be coerced or bullied, and the negotiations with Mr. McMurrich failed.

The Administration, as finally constituted, was composed of three Liberals, Messrs. Sandfield Macdonald, Richards, and Wood, and of two Conservatives, Messrs. Cameron and Carling.

UNFAIR TACTICS OF MESSRS. BLAKE AND MACKENZIE.

Messrs. Brown, Blake, and Mackenzie opposed Sandfield Macdonald's Government with persistent virulence.

Mr. Mackenzie became a member of the second Ontario Parliament, and, when it assembled for the first time in December, 1871, in order to defeat the Government advantage was taken—in a manner more worthy of gamblers than of statesmen—of the absence of a number of members who had gone to their constituents for re-election. Mr. Macdonald retired, feeling poignantly what he regarded as the ingratitude of his native Province.

Ontario had not, and never will have a more disinterested, faithful, and devoted son, than the late John Sandfield Macdonald.

MR. BROWN AMENDS HIS OPINION OF SANDFIELD MACDONALD.

Mr. Brown did justice, tardy justice to his memory (although in his life time he had greatly maligned him), when in a speech delivered in South Victoria, in September last, he said: "Mr. Sandfield Macdonald—a man who would neither do wrong nor allow those around him to do wrong."

Mr. Blake succeeded him as Premier, with Mr. Mackenzie as Treasurer. You would have supposed that these gentlemen could not have been tempted by the love of office, or by any other consideration, to constitute, upon coalition principles, the first Government which either of them had been called upon to form, and that they would have remembered their denun-

ciation of coalitions ; they acted, however, as if they had always favoured coalitions, and thus violated their life-long pledges.

GRIT INCONSISTENCY.

With shameless inconsistency they offered a seat in the Cabinet to Mr. Scott, of Ottawa, the Speaker of the Legislative Assembly; an office to which he had been appointed on the motion of Mr. Sandfield Macdonald, when Premier Mr. Scott was, and always had been a pronounced Conservative, and so decidedly did he recognize his allegiance to the Conservative leader, that he actually asked the assent of Sir John Macdonald, to coalesce with, and become the colleague of Messrs. Blake and Mackenzie.

From a Government founded upon recreancy and hypocrisy, but little good was to be expected, and but little sprang from it. Much of its legislation was unwise and pernicious.

EVIL LEGISLATION AT ONCE.

In making political capital of the deplorable murder of Scott, in Manitoba, the members of the Government imprinted an ineffaceable stain upon their escutcheons. Their Anti-Dual-Representation Act, restricting the choice of the people, was strangely inconsistent with the principles professed by Reformers. It was probably passed at the instance of Mr. Brown, who could foresee that its tendency would be to exclude men of ability from the Local Legislature, and to make that body more subservient to him. And such has been its effect.

Messrs. Blake and Mackenzie determined to remain in the Dominion Parliament, and by the Anti-Dual-Representation Act expelled themselves from the Legislature of Ontario. They acknowledged by their next step that they had not left on the Reform side of the Legislative Assembly a man to whom the Government of the Province might safely be entrusted. According to their political code no one who had not been known as a Brown Reformer, anterior to Confederation, was worthy to be Premier of Ontario. And, in order to obtain one, who in their opinion was gifted with the necessary qualifications for the office, they invaded the Bench.

DEGRADING THE BENCH.—DESCENT OF MR. MOWAT.

Mr. Vice-Chancellor Mowat was induced to lay aside the pure ermine of the Judge, and to gird his loins with the tattered and unclean raiment of a trimming politician. It cannot be gainsaid that the tendency of that proceeding was to degrade the Bench. Until that occurrence, the Judges of the country were looked upon as men occupying a higher and purer sphere than the rest of the people, elevated to that station, removed from the distracting influences of politics and of trade, to administer justice dispassion-

ately and impartially. I have not the least doubt that our present Judges do so administer it; but I do say that Messrs. Blake and Mowat lowered the Bench from the elevated plane it had previously occupied down almost to the level of common life; and it is to be hoped for the sake of the country, that the precedent set by Mr. Mowat will not be followed, but will receive the condemnation of the people, and that every effort will be made to restore the Bench to the eminence on which Messrs. Blake and Mowat found it.

It is surprising that Mr. Blake, of all men, should have been the one to degrade the Bench, by advising the recall of a Judge to political life. It would be natural to expect that he would entertain a high and innate reverence for the Judiciary. It may have been one of the instances in which Mr. Blake yielded his judgment to Mr. Brown's stronger will.

MR. BROWN REAL HEAD OF THE GOVERNMENT—MR. MOWAT HIS VICAR.

Mr. Brown wanted a man as Premier of Ontario who would look upon him as the head of his party—as the fountain of authority. It should not be considered disparaging to Mr. Mowat to say that he is not endowed with Mr. Brown's force or strength of will. Few men are. Mr. Brown, for the last five years, has been the real head of the Governments of the Dominion and of Ontario. I have elsewhere characterized Mr. Mackenzie's Government as a vicariate, and in view of the part played by Mr. Mowat's Government I do it no injustice in describing it as a sub-vicariate. The "farming out," as it were, of the two Governments by Mr. Brown, has been subversive of their usefulness and dignity.

When Messrs. Blake and Mackenzie expelled themselves from the Local Legislature, leaving there no "Old Reformer" who was qualified to succeed to the office of First Minister, it was not necessary to bring Mr. Mowat down from the exalted region to which he had been translated. The Queen's Government could have been carried on without his aid. It was to carry out the schemes of an inexorable, dwarfing partyism, that he was summoned. Messrs. M. C. Cameron, Stephen Richards, and John Carling were in the Legislature. They had taken a leading part in the Administration of Mr. Sandfield Macdonald during the preceding four years and a half, and had discharged their duties with ability, integrity, and economy. They had acquired much experience in administering the public business. Why were these gentlemen excluded from the public service? Why were the people not allowed the advantage of their experience and services at a time when men possessing their administrative qualities were scarce, and were not to be found on the self-styled "Reform" side of the Legislature, or in the Reform party, without going to the Bench, where neither Reformer nor Conservative should be known?

THE PUBLIC PURSE.

Mr. Richards had always been a Liberal; Messrs. Cameron and Carling had been Conservatives. Mr. Richards had been, as I had been myself, a Baldwin Reformer. If he had been a follower of Mr. Brown, instead of a follower of Mr. Baldwin, he would have been offered the Premiership, and would have discharged its duties well. Mr. Cameron was also well qualified to fill the office of Premier. Perhaps, indeed, those who know all the gentlemen may be of opinion, especially with the light which is now available, that either Mr. Richards or Mr. Cameron would have held a tighter grasp than Mr. Mowat upon the public purse, and would have been less affected by those influences which have led to an unnecessary increase of the controllable expenditure—to extravagance and corruption.

MR. MOWAT YIELDING.

I believe Mr. Mowat to be personally upright and of excellent intentions, but it is said he yields too readily to men of stronger will and of less scrupulosity than himself.

HURTFULNESS OF PARTYISM IN LOCAL AFFAIRS.

Most of the evils which afflict this province, including the extravagance of the Government, are directly traceable to prejudiced and pestilent partyism. I ask why should it be tolerated in the management of the business of Ontario? The people object to its embittering presence in their municipal offices, and the public business of Ontario is neither more nor less than the business of a group of municipalities.

MUNICIPAL CHARACTER OF ONTARIO LEGISLATION.

Ontario is not charged with any subject of legislation other than of a strictly municipal character, or with any question into which party politics should be permitted to enter. Ministers should be chosen for their ability and aptitude as administrators, for, beyond supervising legislation, their duties are simply administrative. Well educated men entering the Legislature should feel that, if they devote themselves to mastering the public business, the time will come when they will be called upon to take a part in its administration, no matter whether they or their fathers were known before Confederation as Conservatives or Reformers. If this rule prevailed, it would be an incentive to young men of talent to enter the Legislature, and to fit themselves not only for administering the affairs of Ontario, but eventually for entering the Parliament of the Dominion as trained administrators. If such a system could be introduced and steadily practised, it would do much to purify and improve the public service. The people will find it to their advantage to make education and talent the stepping-stones to their service and confidence.

REFORMERS ONLY IN NAME.

The Shibboleth of self-seeking Reformers who, according to Mr. Blake, "have nothing to reform," but who need much reforming themselves, has been the only qualification for office required by the intolerant men who, since December, 1871, have governed the Province, and the Administration, as might be expected, has been extravagant and debasing.

CULTIVATION OF PARTY SPIRIT FOR SELFISH PURPOSES.

The Ministers of Ontario, instead of serving the whole people, appear to devote their main energies to the cultivation of party spirit. Under their administration the public departments and the entire public service, it is alleged, have become great schools for its inculcation, for the ignoble purpose of securing to a narrow-minded and selfish clique the loaves and fishes, with a periodical enlargement of the former and an increase of the catch of the latter.

THE RECENT VERDICT OF THE PEOPLE.

The people of Ontario have just declared in thunder tones that they are not to be imposed upon any longer by the professions of spurious Reformers. They have dismissed from their confidence the representatives of a party led nominally by Mr. Mackenzie, and really by his master Mr. Brown; but to emancipate themselves completely from their baneful influence they must also dismiss Mr. Mackenzie's zealous fellow-laborers and partisans in Ontario—Mr. Mowat and his colleagues. The people have pronounced in favor of a policy which the Ontario Ministers have seen fit to oppose most strenuously, and if those Ministers should be allowed to remain in power, they will endeavor insidiously, if not openly to frustrate the popular will. They were not called upon to take part in the discussion of the Dominion policy. Neither the Government nor the Legislature of Ontario can aid in the settlement of the questions which were at issue; but Mr. Mowat chose to ally his Government actively with that of Mr. Mackenzie, and he must expect to share Mr. Mackenzie's fate.

ALLIANCE BETWEEN MESSRS. MACKENZIE AND MOWAT— CONSEQUENT VIOLATION OF PRINCIPLE.

The Ministers of Ontario, leaving their duties to be discharged by subordinates, spent the summer in the service of the Dominion Government, and they did not hesitate to bring to the aid of the Ministerial candidates all the influences and powers which, as the Government of Ontario, they wielded. This was not only a violation of their duty to the people of this Province, but a violation also of the principles which they professed in respect to the relations which should exist between the Government of the Dominion and that of each of the Provinces, and which Mr. Blake expounded

in a speech delivered in the Legislature of Ontario on December 22, 1871, when, as Premier, he defined the principles and policy of his political friends, and of the Administration which he had just formed. Mr. Blake is reported to have used the following words (*vide Globe* 23rd December, 1871):—"My friends and myself have for the past four years complained that the late Administration (Sandfield Macdonald's) was formed upon the principle and the understanding that it and the Dominion Government should work together, play into one another's hands, and that they should be allies. My friends and myself thought, and my Administration now thinks, that such an arrangement is injurious to the well-being of Confederation, calculated to create difficulties which might be otherwise avoided, and that there should exist no other attitude on the part of the Provincial Government towards the Government of the Dominion than one of neutrality—that each Government should be absolutely independent of the other in the management of its own affairs. We believe that the Government of the Province ought not to assume a position of either alliance or hostility towards the Government of the Dominion." Mr. Mowat and his colleagues must deeply regret that they departed during the late general election from the policy laid down for them by Mr. Blake.

MR. MOWAT, YET NOT MR. MOWAT.

Mr. Mowat seemed conscious at times, when itinerating the country, that he was doing wrong, and that he had placed himself in a false position. He exhibited this consciousness notably at a public meeting in Glengarry, when he went so far as to deny his official identity. He actually told the people that he was not there as Premier of Ontario. This was unworthy of Mr. Mowat, but was a very emphatic condemnation of himself. It was a declaration that the Premier of Ontario ought not to have been there. Mr. Mowat might just as well have said that he was not there as Oliver Mowat as that he was not there as Premier. While he retains the office of First Minister, he cannot lay aside its attributes. When in Glengarry he was the Premier, the people knew he was the Premier, and, what is more, he went there to actively exercise his influence as Premier on behalf of the Dominion candidates for that county and the adjacent constituencies.

INFLUENCING ELECTORS.

A railway is being built through that part of the country to Ottawa, and is perhaps dependent for its completion upon receiving further aid from the Province of Ontario. Although Mr. Mowat told the people that he was not there as Premier, will he say that he did not listen to representations or applications from the promoters of the railway for additional Provincial aid? Will he say that he did not give any of the electors of Glengarry the impression that their chances of receiving Railway aid from his Government would be greater, if the

county elected the Ministerial candidate, Mr. McNab, than if it elected his opponent, Mr. Maclennan? I have no doubt electioneering on behalf of the Mackenzie Government was distasteful to Mr. Mowat, but he performed the task, proving thereby that, while he may know what is right, he can be persuaded to do what is wrong.

I hope the historical retrospect which I have presented will not be altogether uninteresting to you and to the public generally. I submit that it shows plainly that the efforts of Sir John Macdonald and his coadjutors have always been directed to promote union and harmony among the various races and creeds which compose our population, whilst those of Mr. Brown and his followers have been devoted to exciting and fomenting political discord and religious intolerance. I leave you to say which party has walked in the path of patriotism and unselfishness.

COMPARATIVE STATEMENTS OF EXPENDITURE.

I shall now proceed to place before you comparative statements of the Public Expenditure under the several Administrations which have held power in Ontario since she became a separate Province, in respect to her local affairs. I repeat that the first Provincial Government was formed by Mr. Sandfield Macdonald in July, 1867, and that it ruled until the 21st December, 1871. On that day Mr. Blake succeeded to power. His Government, of which Mr. Mackenzie was Treasurer, ruled till the 31st October, 1872, when, in consequence of the provisions of the Act abolishing dual representation, Messrs. Blake and Mackenzie retired from the Government and Legislature of Ontario, and Mr. Mowat was called upon to form a Government. His Administration is still in power.

MYSTIFYING MODE OF KEEPING PUBLIC ACCOUNTS.

I may remark that the Public Accounts are not kept in such a way as to facilitate comparisons of the details of the expenditure of different years. Items are not classed uniformly, under the same heading, year by year. This has rendered the preparation of my statements a work of difficulty and great labor, but I hope that I now present them in a form so plain as to be easily understood even by those who are not familiar with the science of accounts.

TABLE No. 2.—EXPENDITURE CONNECTED WITH CIVIL GOVERNMENT FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

SERVICE.	UNDER THE ADMINISTRATION OF							
	Mr. Sandfield Macdonald.		Mr. Blake.		Mr. Mowat.			
	1867-68.	1870.	1871.	1872.	1874.	1875.	1876.	1877.
Contingencies			\$4,503	\$6,083		\$6,597	\$5,464	\$5,774
Salaries	\$1,106	\$3,234	1,495	1,600		1,400	1,400	2,544
Contingencies	220	365	305	317		293	684	874
Executive Council and Atty.-General—Salaries	9,240	7,165	7,639	7,421		9,450	9,149	11,379
Contingencies	1,753	851	2,601	3,349		3,451	3,600	3,310
Treasury—Salaries	7,392	10,797	11,495	11,732		13,200	12,499	16,900
Do—Contingencies	2,858	2,003	2,264	4,799		3,814	2,436	2,174
East Wing, Parliament Buildings, Repairs, Furnishings, Fuel, Gas, Water, &c.							3,246	3,813
Secretary and Registrar—Salaries	8,687	8,784	9,495	8,054		9,700	9,700	11,900
Do—Contingencies	2,437	1,378		2,938		3,424	2,393	2,435
Agriculture and Public Works—Salaries	9,806	7,795	10,365	15,079		17,402	15,902	17,502
Do—Contingencies	2,147	1,926	3,496	4,044		4,393	3,551	2,824
Registrar-General—Salaries		4,477	5,005	7,486		8,225	8,591	6,432
Do—Contingencies		3,215	4,675	1,897		2,670	2,245	2,694
Immigration—Salaries						750	1,600	1,200
Do—Contingencies							976	199
Inspection of Asylums, Prisons, Registry Offices, Division Courts and County Offices—Salaries	1,066	4,333	4,483	4,899		8,349	8,260	9,250
Contingencies	114	736	715	1,516		1,458	1,786	2,091
Crown Lands—Salaries	38,119	34,872	29,884	32,563		38,413	39,130	39,860
Do—Contingencies	7,224	6,137	8,454	23,198		19,422	14,401	11,841
Queen's Printer		269	1,272	1,236		1,337	1,540	1,650
Total Salaries	75,380	76,994	79,861	88,854		107,489	106,171	114,907
Total Contingencies	16,753	21,078	28,285	49,287		45,647	42,072	39,786
Totals	92,133	98,072	108,146	138,121		152,667	148,243	154,693

TABLE No. 3.—EXPENDITURE CONNECTED WITH CONTINGENCIES FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

UNDER THE ADMINISTRATION OF

SERVICE.

Mr. Mowat.

Mr. Blake.

Mr. Sandfield Macdonald.

	Mr. Sandfield Macdonald.			Mr. Blake.			Mr. Mowat.			
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.
Government House	.....	.....	\$3,234	\$4,593	\$6,083	\$6,208	\$6,507	\$5,464	\$6,565	\$5,774
Lieutenant-Governor's Office	2	241	395	395	317	293	299	684	874	981
Executive Council and Attorney-General	2	851	1,953	2,601	3,349	2,628	3,355	3,481	3,600	3,310
Treasury	2	2,003	2,611	2,264	4,709	3,814	2,161	2,436	2,053	2,174
East Wing	2	.....	.....	.....	.....	.....	4,093	3,246	3,601	3,813
Secretary and Registrar	2	2,437	1,378	.....	2,938	3,424	2,631	2,303	2,406	2,435
Agriculture and Public Works	2	2,147	1,926	3,496	4,044	4,393	2,927	3,551	2,889	2,824
Registrar-General	2	.....	3,215	4,675	1,897	2,670	1,317	2,245	2,305	2,694
Immigration	2	.....	.....	.....	.....	.....	976	941	.....	199
Inspection of Public Offices	2	114	530	715	1,516	1,458	1,666	1,780	2,549	2,091
Crown Lands	2	7,224	6,137	8,454	23,198	19,422	19,778	14,401	11,107	11,841
Queen's Printer	2	.....	269	1,272	1,236	1,337	1,574	1,540	1,574	1,950
Legislation	4	3,269	3,283	6,230	12,721	16,328	13,855	9,257	10,605	9,806
Do	4	4,451	1,856	960	5,197	6,375	10,373	593	10,083	7,070
Court of Chancery	5	454	494	1,447	1,282	1,202	1,848	1,505	1,581	1,501
Do Queen's Bench	5	606	575	644	805	677	922	547	1,065	577
Do Common Pleas	5	139	233	155	236	163	264	227	179	259
Do Appeal	5	.....	.....	.....	.....	.....	.....	417	.....	.....
Education Departments	6	4,017	2,227	2,582	4,498	5,718	5,085	5,275	5,038	6,163
Normal and Model Schools	6	.....	7,117	5,977	11,684	7,917	6,819	9,708	12,990	13,890
Depository	6	.....	.....	1,417	2,297	2,800	3,587	3,021	3,226	3,202
Arts Scientific Institutions, &c.	8	.....	.....	.....	.....	1,717	1,596	1,199	1,309	.....
Totals	29,689	28,851	46,828	53,253	88,007	88,544	91,637	73,521	85,599	82,854

TABLE No. 4.—EXPENDITURE CONNECTED WITH LEGISLATION FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

UNDER THE ADMINISTRATION OF

SERVICE.

	Mr. Sandfield Macdonald.					Mr. Blake.			Mr. Mowat.		
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	
Salaries	\$9,906	\$11,010	\$9,350	\$8,725	\$10,200	\$12,350	\$14,950	\$10,250	\$12,250	\$11,500	
(Contingencies, including Fuel, Gas, Water, Advertising, Repairs, &c.)	3,269	3,283	6,230	7,510	12,721	16,328	13,855	9,257	10,605	9,866	
Sessional Writers and Pages	4,451	1,856	900	4,212	5,197	6,375	10,373	593	10,083	7,670	
Indemnity and Mileage to Members	61,800	44,519	5,480	37,809	33,842	49,546	89,350	30,400	53,399	69,109	
Postages and Post Office	3,881	2,577	1,593	2,426	2,405	2,798	3,866	1,465	2,844	2,213	
Stationery, Printing Paper, Printing and Binding	9,843	15,248	11,155	11,412	15,116	20,124	35,213	9,565	12,760	17,397	
Printing and Binding Statutes	1,513	1,649	1,361	1,847	2,282	7,707	3,937	2,408	2,594	1,998	
Library	787	1,142	1,107	731	10,000	4,422	3,600	2,265	2,405	2,628	
Election Expenses and Contested Election Expenses	499	601	341	19,595	7,185	750	2,045	.....	.....	.....
Committee of Enquiry	.....	.....	.....	.....	611	.....	.....	.....	.....	.....
Less advance in 1867	95,949	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total as per Public Accounts	85,949	81,885	37,487	94,177	99,559	120,400	176,289	66,263	106,940	122,321	
<i>The following items are charged as Miscellaneous, but should be classed under Legislation:</i>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Expenses of Elections, Contested Elections, and Voters' Lists	85,949	81,885	37,487	94,177	99,559	120,400	176,289	61,122	12,417	4,393	
	.....	.....	.....	.....	.....	.....	.....	127,385	119,357	126,714

The following items are charged as Miscellaneous, but should be classed under Legislation:
Expenses of Elections, Contested Elections, and Voters' Lists

TABLE No. 5—EXPENDITURE CONNECTED WITH ADMINISTRATION OF JUSTICE FROM 1ST JULY, 1867, TO 31ST DEC., 1877

UNDER THE ADMINISTRATION OF

SERVICE.

	Mr. Sandfield Macdonald.							Mr. Blake.		Mr. Mowat.			
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.			
Court of Chancery—	\$14 441	\$14,755	\$13,135	\$17,025	\$17,184	\$18,813	\$18,962	\$20,167	\$20,950	\$18,183			
Do	454	494	1,447	1,276	1,282	1,202	1,848	1,595	1,581	1,501			
Court of Queen's Bench—	6,906	6,493	6,260	6,260	7,259	7,420	7,911	8,020	9,730	9,020			
Do	606	575	644	633	805	677	922	547	1,065	577			
Court of Common Pleas—	4,240	4,200	4,200	4,200	4,200	4 806	4 806	4 806	5,060	5,060			
Do	139	233	163	155	236	163	264	227	179	259			
Court of Error and Appeal—		10,000	10,000	10,050	9,928	10,050	10,050	14,670	15,755	15,652			
Do								417					
Contingencies							993	1,817	1,828	1,863			
Practice Court—Salaries and Contingencies										2,028			
Surrogate Court.													
Criminal Justice—Crown Counsel	8,179	9,482	6,917	7,989	9,989	8,273	9,044	9,060	13,405	13,225			
Do	13,799	13,542	13,581	13,506	14,122	15,950	15,950	15,950	15,950				
Deputy Clerks of Crown and Pleas	109,925	97,424	103 152	104 049	101,704	108,120	111,937	111,533	162,954	151,442			
Do													
Treasurers	9,375	8,572	10,222	10 363	13,285	16,157	14,704	15,171	18,392				
Administration of Justice in Algoma, &c.	400	2,378	1,829	1,435	2,242	3,086	409	1,704	2,340	3,199			
Special cases	1,301	1,206	1,304	1,632	1,644	3,887	4,391	4,958	5,605	1,020			
Sheriffs and Clerks of Assize, &c.	240	96	150	764	310	382	63	720	90	5			
Repairs, Books, Contingencies.	3,000	3,000	3,000	3,284	3,051	5,450	4,009	3,799	3,030				
Lighting and Heating Osroode Hall, &c.							2,129	4,277	4,725				
Provincial Police													
Reporters													
<i>This amount is supposed to include the items which should be detailed in the spaces marked thus—*</i>													
Law Reform and Consolidation of Statutes.					4,400	114				56,677			
<i>The following items charged as Miscellaneous in Public Accounts should be classed under Admin. of Justice.</i>													
Law Reform and Consolidation of Statutes.													
Scott's Murder.									7,775	44,174			
Division Court Judges		3,376							4,900				
Totals	173,005	175,826	176,004	182,621	191,641	204,604	210,760	224,464	299,266	323,885			

The Salaries of Judges being paid by the Dominion Government, are not included in the above.

TABLE No. 6.—EXPENDITURE CONNECTED WITH EDUCATION FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

SERVICE.	UNDER THE ADMINISTRATION OF														
	Mr. Sandfield Macdonald.					Mr. Blake.					Mr. Mowat.				
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1873.	1874.	1875.	1876.	1877.
Departmental—															
Do Contingencies	\$10,165	\$11,313	\$11,813	\$12,013	\$12,251	\$13,550	\$14,039	\$14,040	\$12,033	\$15,868					
Normal and Mode Schools—Salaries	4,017	2,227	2,582	3,634	4,498	5,718	5,085	5,275	5,038	6,53					
Do Contingencies	17,000	10,759	10,862	11,811	14,166	16,818	16,000	20,356	26,029	26,032					
Depository—															
Do Salaries		7,117	6,307	5,977	11,684	7,917	6,819	9,708	12,990	13,890					
Do Contingencies		2,919	3,066	3,403	3,658	4,824	4,855	4,855	5,077	5,105					
School Inspection—Grammar and High Schools	2,000	2,000	2,000	3,000	4,000	5,861	6,532	6,517	8,565	8,740					
Do Public Schools				11,527	25,490	24,330	25,523	26,926	26,930	27,904					
Examination of Teachers					300	1,908	1,201	1,855	2,750	6,577					
Training of Teachers															
Superannuation of Teachers	4,200	6,332	6,500	6,143	11,944	19,097	22,910	26,509	31,768	35,484					
Council of Public Instruction								992	1,494						
<i>Total Departmental Expenditure</i>	37,382	42,667	44,547	59,679	90,288	102,823	108,742	120,054	135,906	155,524					
Common and Separate Schools	170,000	165,209	169,952	172,985	198,758	218,946	239,362	239,825	240,112	240,044					
Poor Schools	2,000	1,690	6,000	5,990	6,000	5,988	6,000	8,070	9,989	12,000					
Grammar and High Schools and Collegiate Institutes	55,000	27,633	57,500	71,487	76,861	78,706	77,173	80,482	81,843	77,199					
<i>Amount distributed for Schools</i>	227,000	194,532	233,452	250,462	281,619	303,640	322,535	328,377	331,944	329,243					
Libraries, Maps, Prizes	32,000	33,149	32,417	34,954	43,451	49,942	49,985	50,073	50,561	59,995					
Museum and Library	2,800	3,481	3,671	3,841	3,837	3,627	3,894	2,713	3,768	3,944					
Journal of Education	1,800	1,888	1,800	2,370	2,508	2,931	2,288	2,094	2,314	1,513					
<i>Total Expenditure for Libraries, Fixtures, &c.</i>	36,600	38,518	37,888	41,165	49,796	56,500	56,167	54,880	56,643	65,452					
Totals as per Public Accounts	\$300,982	\$275,717	\$315,887	\$351,306	\$421,703	\$462,963	\$487,444	\$503,311	\$524,493	\$550,219					

TABLE No. 7.—EXPENDITURE CONNECTED WITH CROWN LANDS AND COLONIZATION ROADS, FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

SERVICE.	UNDER THE ADMINISTRATION OF														
	Mr. Sandfield Macdonald.					Mr. Blake.					Mr. Mowat.				
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1873.	1874.	1875.	1876.	1877.
Salaries and Expenses of Travelling Agents.....	\$1,085	\$1,784													
Agents' Salaries, Commissions and Disbursements	20,996	23,048	25,933	24,973	40,777	42,553	18,235	20,624	18,179	18,572					
Forest ranging.....							18,342	15,680	14,500	13,971					
Inspections.....				2,920	14,911	7,699	1,992	1,898							
Surveys.....	8,820	21,423	40,000	17,902	39,300	59,850	33,812	27,655	37,700	45,546					
Boundary Survey.....				400											
Board of Examiners' Land Surveys.....	189	85	170	112	185	390	375	410	390	380					
Lands twice sold.....			2,069		578										
Compensation claimed.....															
Miscellaneous.....							6,212	982							
Refunds.....	39,190	46,340	68,103	46,307	95,751	110,492	78,968	67,249	70,769	78,469					
Colonization Roads.....	13,229	14,745	12,318	23,098	32,965	28,000	23,265	22,952	13,546	16,525					
	36,991	35,589	59,000	55,499	75,799	145,950	90,762	103,511	85,931	77,300					
<i>Total Expenditure for Crown Lands and Colonization Roads, as per Public Accounts, (exclusive of following Departmental Expenses).....</i>	80,320	96,674	139,481	124,814	204,515	284,442	192,995	193,712	170,246	172,294					
* Salaries at Toronto.....	38,119	34,872	39,273	29,884	32,563	38,413	38,130	39,130	39,860	40,060					
* Contingencies at Toronto.....	7,224	6,137	6,019	8,454	23,198	19,422	19,778	14,401	11,107	11,841					
Total.....	125,663	137,683	166,773	163,152	260,276	342,277	250,903	247,243	221,213	224,195					

* These are added in total of Civil Government, but are reproduced here to show the Total Expenditure of this Department.

TABLE No. 8.—EXPENDITURE CONNECTED WITH AGRICULTURE, ARTS, LITERARY AND SCIENTIFIC INSTITUTES AND CHARITIES, FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

	UNDER THE ADMINISTRATION OF									
	Mr. Sandfield Macdonald.		Mr. Blake.	Mr. Mowat.						
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.
Electoral Division Societies.....	\$54,074	\$53,894	\$53,424	\$53,721	\$53,905	\$3,840	\$3,788	\$58,950	\$59,675	.....
Fruit Growers' Association	350	350	350	500	700	1,200	1,000	1,000	1,000	.....
Mechanics' Institutes.....	1,010	3,307	2,947	10,206	13,397	11,534	15,447	18,196	16,424	.....
Inspection of Mechanics' Institutes.....	.....	.....	.....	.....	310	410	305	549	539	.....
Agricultural Association	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	.....
Veterinary Museum and Library .....	.....	.....	.....	.....	.....	.....	.....	.....	2,000	.....
Entomological Society	3,600	3,600	1,350	500	850	500	1,250	850	750	.....
Literary and Scientific Institutions' .....	.....	.....	.....	1,350	1,850	1,850	1,850	1,700	1,350	.....
Poultry Chronicle and Association.....	.....	.....	.....	.....	100	100	200	200	800	.....
Dairyman's Association .....	.....	.....	.....	.....	500	700	700	1,300	2,000	.....
Grants to Hospitals, Charities, &c.....	39,000	44,000	42,510	40,260	42,100	43,020	43,020	52,346	65,495	64,151
Ontario Society of Artists.....	.....	.....	.....	.....	.....	1,065	500	500	1,500	.....
No details .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	97,234
Total amount of Grants.....	108,634	115,151	110,581	116,537	123,712	124,119	127,860	145,591	161,533	161,385
Contingencies, Printing, &c .....	.....	.....	.....	.....	.....	.....	1,596	1,199	1,399	.....
Agricultural Inspection.....	404	.....	.....	.....	.....	.....	1,717	1,996	1,399	.....
Agricultural College—Maintenance, &c.....	.....	.....	.....	.....	.....	.....	1,707	14,722	18,386	17,366
College of Technology—Maintenance, &c.....	.....	.....	.....	.....	4,285	5,826	5,707	5,026	5,027	2,744
Totals	109,038	115,151	110,581	116,537	127,997	133,569	149,885	170,796	186,801	181,495

SERVICE.

TABLE No. 9.—EXPENDITURE CONNECTED WITH IMMIGRATION FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

UNDER THE ADMINISTRATION OF

SERVICE.

	Mr. Sandfield Macdonald.				Mr. Blake.				Mr. Mowat.						
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1873.	1874.	1875.	1876.	1877.
European Agencies		\$1,200	\$6,178	\$421	\$8,527	\$43,642	\$32,475	\$16,492	\$6,243						
Commissions to temporary Agents								5,022	1,453						
Canadian Agencies		3,341	8,645	5,642	7,079	7,164	18,454	7,881	2,245						
Carriage of Immigrants		3,188	6,128	5,768	6,200	27,590	34,535	32,687	28,372						
Passage money refunded					23,000										
Assistance to Immigrants					2,290	69,121	46,532	23,436	1,758						
Provisions and Medical Attendance			1,260	3,286	2,882	6,767		7,364	4,381						
Printing, Advertising, Maps, &c.		8,696	9,068	14,304	6,452	4,074	1,656	794	115						
Incidentals		1,170	808	291	1,327	820	988	384	634						
Totals		17,595	32,087	29,712	57,757	159,178	134,640	94,060	45,201					46,265	
<i>The following items on Account of Immigration are charged in Civil Government:</i>															
Salaries						750	1,600	2,600						1,200	
Contingencies							976	941						199	
		17,595	32,087	29,712	57,757	159,928	137,216	97,601	45,201					47,664	

TABLE No. 10.—EXPENDITURE IN CONNECTION WITH CONSTRUCTION OF PUBLIC WORKS AND BUILDINGS, FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

	UNDER THE ADMINISTRATION OF														
	Mr. Sandfield Macdonald.					Mr. Blake.					Mr. Mowat.				
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1873.	1874.	1875.	1876.	1877.
Government Buildings	\$47,659	\$11,589	.....	\$1,862	\$2,886	\$11,204	\$9,687	.....	\$2,084	\$2,159	.....	.....	.....	\$2,084	\$2,159
Government House and Lt. Governor's Residence ..	39,545	42,154	37,867	.....	1,500	4,017	2,796	.....	10,070	7,434	.....	.....	.....	10,070	7,434
Provincial Lunatic Asylum, Toronto	47,640	68,797	26,232	30,431	3,338	17,679	2,443	.....	4,342	23,095	.....	.....	.....	4,342	23,095
London Lunatic Asylum .....	.....	75,161	157,501	71,726	21,357	48,092	28,499	.....	22,613	66,798	.....	.....	.....	22,613	66,798
Ottavia Lunatic Asylum .....	.....	.....	.....	.....	.....	.....	.....	.....	29,468	4,350	.....	.....	.....	29,468	4,350
Deaf and Dumb Institution, Belleville .....	.....	40,993	36,497	12,274	17,793	13,790	5,033	.....	3,370	21,226	.....	.....	.....	3,370	21,226
Asylum for Blind, Brantford .....	.....	.....	15,533	53,784	33,085	14,815	8,071	.....	5,711	16,292	.....	.....	.....	5,711	16,292
Inebriate Asylum, Hamilton .....	.....	.....	.....	.....	.....	31,113	23,887	.....	45,627	44,437	.....	.....	.....	45,627	44,437
Reformatory, Penetanguishene .....	.....	.....	7,590	4,489	1,416	2,423	1,594	.....	5,014	2,903	.....	.....	.....	5,014	2,903
Agricultural College and Farm .....	.....	.....	.....	47,350	3,711	79,462	25,830	.....	14,235	2,954	.....	.....	.....	14,235	2,954
School of Technology .....	.....	.....	.....	38,509	13,398	3,412	2,208	.....	324	17,143	.....	.....	.....	324	17,143
Central Prison, Toronto .....	.....	.....	.....	10,925	80,957	235,232	102,959	.....	16,676	15,143	.....	.....	.....	16,676	15,143
Common Gaol .....	.....	.....	.....	.....	.....	.....	.....	.....	67,830	.....	.....	.....	.....	67,830	.....
Idiot Asylum .....	.....	.....	.....	6,554	11,898	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Normal and Model Schools .....	.....	.....	.....	13,613	10,745	4,346	12,002	.....	11,710	6,661	.....	.....	.....	11,710	6,661
Do. Ottawa .....	.....	.....	.....	.....	.....	1,231	60,957	.....	.....	.....	.....	.....	.....	.....	.....
Osgoode Hall .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sundry Locks, Roads, Lock-ups, Homestead Fund ..	.....	.....	257	.....	.....	.....	2,436	.....	19,376	16,768	.....	.....	.....	19,376	16,768
Court House, Ste. St. Marie, &c. .....	.....	18,266	78,459	58,925	36,354	54,430	64,761	.....	38,772	31,032	.....	.....	.....	38,772	31,032
Registry Offices .....	.....	.....	1,624	845	178	1,735	958	.....	2,915	4,597	.....	.....	.....	2,915	4,597
Surveys and Drainage Works	1,333	.....	.....	.....	.....	.....	3,089	.....	.....	.....	.....	.....	.....	.....	.....
Lake Superior Route*	678	2,925	46,371	79,333	31,148	31,408	53,128	.....	53,443	11,425	.....	.....	.....	53,443	11,425
Totals	138,855	260,952	407,734	430,620	269,464	554,389	409,438	206,234	352,390	322,105	.....	.....	.....	352,390	322,105

* This item is in "Miscellaneous" in Public Accounts, but is properly included in above table.

TABLE No. 11.—EXPENDITURE FOR MAINTENANCE OF ASYLUMS, PRISONS, &c., FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

SERVICE.	UNDER THE ADMINISTRATION OF									
	Mr. Sandfield Macdonald.			Mr. Blake.	Mr. Mowat.					
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.
Lunatic Asylums	\$129,943	\$123,145	\$135,452	\$149,713	\$186,857	\$203,401	\$213,753	\$221,690	\$214,042	\$263,458
Reformatory, Penetanguishene	22,992	23,557	22,473	21,710	23,824	22,506	21,433	21,794	22,122	26,102
Central Prison .....	.....	.....	.....	.....	.....	598	30,472	39,595	47,128	52,663
Deaf and Dumb Institute, Belleville .....	.....	.....	.....	.....	.....	.....	.....	32,936	33,759	39,017
Blind Asylum, Brantford .....	.....	.....	.....	.....	.....	.....	.....	22,685	27,032	25,995
Totals.....	152,935	146,702	157,925	171,423	210,681	226,505	265,658	338,700	344,083	407,235

TABLE No. 12.—EXPENDITURE FOR ACCOUNT OF SPECIAL FUNDS UNDER AUTHORITY OF THE LEGISLATURE, FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

SERVICE.	UNDER THE ADMINISTRATION OF									
	Mr. Sandfield Macdonald.		Mr. Blake.	Mr. Mowat.						
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.
PAYMENTS ON ACCOUNT OF:										
Municipalities' Fund.....		\$168,596	\$80,313	\$68,884	\$71,703	\$114,765	\$116,868	\$55,351	\$22,362	\$65,807
Municipal Loan Fund.....							6,743	1,697	2,739	464
Land Improvement Fund..				94,258	24,195	25,639	22,687	28,100	18,631	15,504
Railway Aid Fund.....					372,786	426,642	61,802	368,050	171,957	148,600
Railway Subsidy							52,011	49,748	200,349	184,478
Land Subsidy										10,535
Drainage Debentures.....						53,949	54,239	81,736	24,810	49,243
Surplus Distribution.....							1,361,102	986,243	452,151	317,711
Totals		168,596	80,313	163,142	468,684	620,995	1,675,452	1,570,925	892,999	792,342

TABLE No. 14.—ANNUAL RECEIPTS OF THE PROVINCE OF ONTARIO, FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1877.

UNDER THE ADMINISTRATION OF

	Mr. Sandfield Macdonald.					Mr. Blake.					Mr. Mowat.				
	1867-68.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1873.	1874.	1875.	1876.	1877.
SERVICE.															
ORDINARY REVENUE:															
Subsidy and General Account with the Dominion.....	\$ 1,333,750	\$ 1,322,731	\$ 1,251,080	\$ 1,055,466	\$ 1,075,361	\$ 1,207,841	\$ 1,333,569	\$ 1,333,569	\$ 1,333,569	\$ 1,333,569	\$ 1,333,569	\$ 1,333,569	\$ 1,333,569	\$ 1,333,569	\$ 1,333,569
Fines and Fees.....	11,358	11,683	3,913	9,419	15,354	15,591	16,713	14,054	19,457	36,125	16,713	14,054	19,457	36,125	36,125
Licenses.....	19,785	58,924	60,632	58,558	73,355	82,152	115,499	107,590	85,247	79,020	115,499	107,590	85,247	79,020	79,020
Law Stamps.....	.....	42,989	78,477	77,650	87,165	95,249	75,104	63,950	66,055	67,604	75,104	63,950	66,055	67,604	67,604
Lunatic Asylums and Prisons.....	8,591	8,779	19,456	20,672	25,293	31,662	30,699	27,829	34,210	39,875	31,662	30,699	27,829	34,210	39,875
Ontario Gazette and Statutes.....	.....	.....	16,900	14,148	11,422	11,764	12,585	10,710	3,617	.....	12,585	10,710	3,617	.....	.....
Total Ordinary Revenue.....	1,373,484	1,445,106	1,430,178	1,235,913	1,287,950	1,444,259	1,584,229	1,557,702	1,542,155	1,556,193	1,444,259	1,584,229	1,557,702	1,542,155	1,556,193
TERRITORIAL REVENUE:															
Clergy Lands.....	133,873	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Common School Lands.....	115,457	128,269	94,905	77,343	80,967	73,765	101,266	56,282	63,635	62,039	73,765	101,266	56,282	63,635	62,039
Grammar School Lands.....	8,252	6,462	5,950	6,817	12,356	19,754	18,617	8,936	10,586	8,949	12,356	18,617	8,936	10,586	8,949
Crown Lands.....	374,530	211,163	121,036	453,403	193,168	189,665	162,154	80,014	82,254	86,750	189,665	162,154	80,014	82,254	86,750
Woods and Forests.....	.....	435,630	425,991	215,973	903,952	643,637	342,943	449,354	437,998	426,556	643,637	342,943	449,354	437,998	426,556
Mines.....	.....	.....	.....	.....	69,287	36,852	.....	.....	.....	.....	69,287	.....	.....	.....	.....
Taxes on Algonia Lands.....	95	2,664	2,547	5,014	7,685	3,801	5,571	5,045	4,993	1,021	3,801	5,571	5,045	4,993	1,021
Mimico Farm.....	.....	.....	.....	.....	.....	3,713	1,810	1,233	1,487	1,925	3,713	1,810	1,233	1,487	1,925
Total Territorial Revenue.....	632,207	784,188	650,339	758,550	1,267,415	971,187	632,361	600,864	600,953	624,705	971,187	632,361	600,864	600,953	624,705

TABLE No. 15.—CASH DEPOSITED OR INVESTED AND WITHDRAWN, AS PER ANNUAL BALANCE SHEET OF THE TREASURER OF ONTARIO, FROM 1ST JULY, 1867, TO 31ST DEC., 1877.

Deposited and Invested, 1867-68	\$ 859,968
Do 1869	1,392,665
Do 1870	852,980
Balance on 31st December, 1870	3,105,613
Deposited and Invested, 1871	1,692,333
Withdrawn, 1871	4,797,946
	1,150,000
Balance on 31st December, 1871	3,647,946
Deposited and Invested, 1872	2,160,000
Withdrawn, 1872	5,807,946
	1,500,000
Balance on 31st December, 1872	4,307,946
Deposited and Invested, 1873	1,453,340
Withdrawn, 1873	5,761,286
	1,356,784
Balance on 31st December, 1873	4,404,502
Deposited and Invested, 1874	1,235,000
Withdrawn, 1874	5,639,502
	1,553,380
Balance on 31st December, 1874	4,086,122
Deposited and Invested, 1875	1,524,216
Withdrawn, 1875	5,610,338
	1,988,174
Balance on 31st December, 1875	3,622,164
Deposited and Invested, 1876	1,307,208
Withdrawn, 1876	4,929,372
	1,663,390
Balance on 31st December, 1876	3,265,982
Deposited and Invested, 1877	1,880,032
Withdrawn, 1877	5,146,014
	2,506,802
Balance on 31st December, 1877	2,639,212

TABLE No. 1.—TOTAL ANNUAL EXPENDITURE.

This statement is a tabulated analysis of the Public Expenditure of Ontario for ten and a half years; the sum at the foot of each column corresponds with the total expenditure for the same year in the Public Accounts, proving the absolute accuracy of my statements. The details of the statement will be found in the tables following it and numbered 2 to 13. Table No. 14 is a statement of receipts, and No. 15 is one of cash deposited and withdrawn during the same period. If Mr. Mowat should consider any of my deductions erroneous or unjust, he will have the opportunity of endeavoring to refute them during the approaching session of the Legislature, and, if he should attempt to do so, I hope he will eschew the example set him by Mr. Mackenzie and his colleagues, and will not indulge in abuse of me, but will confine himself to the task justifying the acts of his Administration. He may well take warning by the fate of the late Dominion Government.

VAST INCREASE OF EXPENDITURE.

You will observe that the expenditure of the Province has increased 260 *per cent.* in ten years. This includes the amount of the "surplus distribution" but, deducting the amount distributed among the municipalities in 1877, the expenditure of that year amounted to \$2,799,702, exceeding by \$982,836 the gross expenditure of 1871.

TABLE No. 2.—CIVIL GOVERNMENT.

This is a statement of the Salaries and Contingencies only of the Executive Departments at Toronto.

ALARMING INCREASE IN THE DEPARTMENTS.

It is remarkable to see how seriously the Departmental expenditure was increased on the accession of Messrs. Blake and Mackenzie. The Salaries and Contingencies together bounded up from \$108,146, in 1871, to \$139,121 in 1872, being an increase of 23 per cent., and they reached the formidable sum of \$154,693 in 1877. This is not the result the people looked for from the men who professed to be economists *par excellence*. The Departmental expenditure, being largely within the control of individual Ministers, affords an unerring key to their character,—indicating whether they are extravagant or economical. The Contingencies are scattered without system through the Public Accounts.

SALARIES OF MINISTERS.

In the Session of 1875-6, Mr. Mowat increased the salaries of himself and colleagues from \$4,000 and \$3,200 respectively, the amounts at which the salaries of the Prime Minister of Ontario and his colleagues were fixed by Mr. Sandfield Macdonald, to \$5,500 and \$4,500, respectively,

exclusive of the sessional allowance of \$800 each. Mr. Mowat's public emoluments thus amount to \$6,300 a year, and those of each of his colleagues to \$5,300 a year. It cannot be said that these are not generous rewards, especially to gentlemen who continue to pursue their private avocations, and who showed by their absence from their offices during last summer, serving as electioneering missionaries, that their official duties are not of an onerous character. Indeed, except during the sessions of the Legislature, and for a short time before, spent in preparing for them, I imagine the Departmental labors of the Ministers of Ontario are light.

CONTINGENCIES IN TREASURER'S DEPARTMENT.

It is a striking fact that in the Treasury—the Department presided over by Mr. Mackenzie—the Contingencies for the year he was in office (1872) were more than double what they were the year before. Since then they have been reduced, and for the last four years they have averaged each year about the same sum as they were in 1871, but the Salaries have been increased. They have run up from \$11,495 in 1871, to \$16,900 in 1877—an increase of almost 50 *per cent.*

CONTINGENCIES IN CROWN LANDS DEPARTMENT.

In the Crown Lands Department the Contingencies ran up from \$8,454 in 1871 to \$23,198 in 1872, and in 1877 they had fallen back to \$11,841; but the Salaries of the Department have increased from \$32,563 in 1872, to \$40,060 in 1877. This increase is probably caused by Mr. Pardee charging permanently as Salaries what Mr. Mackenzie had charged as Contingencies.

THE CORRUPTION FUND.

The Contingencies are disbursed in the discretion of the Minister at the head of each Department. They may be said to constitute the corruption fund of unscrupulous Ministers, and, even when honest and conscientious administration is intended, it is well known that, unless the Contingencies are closely watched, items for corruption and jobbery may creep in. To prevent this, Mr. Sandfield Macdonald while he was Prime Minister exhibited them in a schedule by themselves in the Public Accounts for each year. But that useful schedule has been discontinued. I have supplied it.

TABLE No. 3.—CONTINGENCIES.

The Contingencies are entered in the Public Accounts somewhat capriciously under the various headings of "Miscellaneous," "Expenses," and "Contingencies." If the object were to conceal the gross amount it would be difficult to devise a better mode of book-keeping than that which has been adopted. The statement discloses the amazing fact that the discretionary expenditure was 56 *per cent.* more in 1877 than in 1871. Such is economy under self-styled Reform rule. It is difficult to explain the increase in

the Contingencies, except by assuming that favorites—supernumeraries have been employed and paid liberal salaries out of them. The enormous contingent expenditure of the Ontario Government is altogether inconsistent with pure administration.

THE STANDARD OF EXPENDITURE ELEVATED.

Messrs. Blake and Mackenzie elevated the standard of expenditure, if not of political morality in Ontario, and in passing it to their successors they handed it to those who have continued to elevate it.

TABLE No. 4.—LEGISLATION.

The Legislative business of Ontario should not increase materially from session to session, yet the increase of the cost of Legislation since 1871 is very considerable. The average annual charge for salaries in the Legislative Assembly during Mr. Sandfield Macdonald's rule was \$9,772, for Mr. Blake's year it was \$10,200, and for Mr. Mowat's five years the average annual charge has been \$12,260.

THE SALARY GRAB.

The indemnity paid to members has become an exceedingly heavy item. It is a misnomer to call it an indemnity, it has been raised into a comfortable salary. Mr. Sandfield Macdonald fixed it at \$450 per session, which was ample to indemnify gentlemen who had not to go further from their homes than to Toronto. But in 1873, Mr. Mowat, doubtless desiring to propitiate Reformers, raised the indemnity to \$600, and again I presume further to appease them he raised it in the session of 1875-6 to \$800. In Quebec, a Province which the insincere Reformers of Ontario have always represented as extravagant, the Sessional indemnity had been \$600, but was reduced last Session to \$500. The action in this matter of the Quebec Legislature is at once a reproach and an example to Ontario. The Speaker's salary has been also raised from \$1,000 to \$1,500. The average expenditure for sessional writers and pages during Mr. Sandfield Macdonald's four sessions was \$2,869. For Mr. Blake's year the sum was \$5,197, for Mr. Mowat's five years the average was \$7,018, and for last year the outlay was \$7,670. It would be interesting to know the degrees of consanguinity and affinity which existed between the sessional supernumeraries and their patrons, the Reform purists who occupied seats on the floor of the House. You will see by referring to the statement, how the charge for stationery, printing, and binding, has been increased.

It is difficult to believe that \$126,714 a year, for legislation for Ontario is not an excessive expenditure. I believe there is room for the introduction of much reform and purity here, but it requires a firmer hand than is now in power to introduce them. I am told by lawyers, that the Legislation is conducted in a perfunctory sort of manner, and that the meaning of some enact-

ments is so obscure as not to be clearly intelligible until interpreted by judicial decisions obtained at the cost of unfortunate suitors.

GROWTH OF LAW EXPENSES.

TABLE No. 5.—ADMINISTRATION OF JUSTICE.

The expenditure for the Administration of Justice was increased between 1871 and 1877 by the enormous annual sum of \$141,264. Can this have been necessary or justifiable?

The increase in items of which the amounts depend upon the exercise of patronage is noteworthy and suggestive—but not of economy or of purity. You will see that the charge for Crown Counsel has been increased sixty-seven *per cent.* since 1871. The Local Government employs members of the Dominion Parliament as Crown Counsel, which I regard as an evasion of the spirit of the Dominion Independence of Parliament Act. The annual expenditure for the Administration of Justice, payable by the Dominion, was increased during Mr. Mackenzie's Premiership \$166,631, of which, I think, it may be assumed that one half has to be paid by the people of Ontario, and if so, it follows that the Reform Governments at Ottawa and Toronto have increased the taxation of Ontario for the Administration of Justice, by the enormous sum of \$224,679 a year, and have at the same time increased the cost of litigation to suitors. They have created two Courts of Appeal—the Court of Error and Appeal for Ontario, and the Supreme Court at Ottawa.

The rules of procedure admit practically of all causes being carried to several appeals or re-hearings, exclusive of the Judicial Committee of the Privy Council, entailing heavy costs and vexatious delays. When Messrs. Mackenzie and Blake determined to establish the Supreme Court at Ottawa, they should have informed Mr. Mowat of their intention. Had they done so, I am sure he would not have created the Court of Error and Appeal for Ontario. Too many appeals are permitted, and they must often be the means, especially when the poor man is concerned, of defeating the ends of justice; but to the lawyers they yield much profit in costs and advancement to Judgeships. One appeal or re-hearing is all that the interests of litigants require in ordinary cases. When important principles are involved, or large sums of money are at stake, appeals might be allowed to the Supreme Court at Ottawa, or to the Judicial Committee of the Privy Council. The interests of suitors demand speedy justice; numerous appeals, with their heavy attendant costs and delays, are ruinous to them. Records of instances of cruel hardship, involving even ruin, lie buried in the archives of our courts. On some of them romances might be founded as thrilling as any that have been written on *causes celebres* of the Court of Chancery in England. It must be admitted that, while Messrs. Blake and Mowat have not been conspicuous for statesmanship, they have not neglected the interests of the Legal—their own profession. Indeed they seem in their respective spheres to have vied with each other in taxing the people for the Admin-

istration of Justice, and in increasing the costs of litigation. The burdens which they have imposed will prevent them from being forgotten by the people. I hope that before long earnest and able law reformers will arise, who will expose and remedy the abuses which exist in this Department.*

TABLE No. 6.—EDUCATION.

Education is worth any money that may properly be expended upon it, but, as in all other matters, care should be taken to get full value for the money actually spent.

INCREASE OF \$200,000—WHO BENEFITS, THE SCHOLAR OR THE PLACEMEN ?

Is full value being obtained for the increased expenditure for education in Ontario? Between 1871 and 1877 it was increased by the appalling sum of \$200,000—and I am sure the public will be disappointed and alarmed to see how large a proportion of this sum has been absorbed in salaries and contingencies of what I may call the Departmental or Administrative branches of the service. It will be seen, by referring to the statement, that in some branches Salaries and Contingencies have been doubled since 1871. The inspection of schools should be very thorough and much improved, if its cost be any criterion to its efficiency. In 1871 it cost \$14,527, and in 1877 it cost \$36,644, being an increase of upwards of 150 *per cent.*

The increase in the charge for the examination of teachers is astounding. In 1871 it was only \$600; in 1877 it reached \$6,577, an increase of more than ten hundred *per cent.* Then in 1877 we have a new item—\$6,559 for the “Training of Teachers.” I fancied our Normal Schools were for the educating and training of teachers.

The expenditure, strictly, upon schools—Common, Separate, Poor, Grammar and High, and also Collegiate Institutes—since Confederation, has been as follows: 1868, \$227,000; 1869, \$194,532; 1870, \$233,452; 1871, \$250,462; 1872, \$281,619; 1873, \$303,640; 1874, \$322,535; 1875, \$328,377; 1876, \$331,944; 1877, \$329,243. The outlay for Salaries and Contingencies in the Educational Department, Normal and Model Schools, Depository, Inspection of Schools, Examination and Training of Teachers

* The case of *Wilson vs. Wilson*, carried from the Court of Chancery to the Court of Error and Appeal, affords an illustration of the evils and costliness of the almost endless appeals which are permitted under the rules of procedure in the Court of Chancery. In the case above named a seizure was made to satisfy a Judgment for \$40. Another party claimed the property seized, which claim led to a series of proceedings—hearings, trials, references, and re-hearings—in which the aggregate costs amounted to not less than \$800, or twenty times the amount originally at issue between the litigants; and the latest decision was practically a confirmation of the earliest—the Judgment Creditor retains the \$40. Whether he paid his share of the costs without inconvenience, or was ruined although he won his case, I am unable to say, for I do not know either of the parties. Our “rest and be thankful” Reformers might find a good deal to reform in our Juridical system.

for the same years has been for 1868, \$37,382; 1869, \$42,667; 1870, \$44,547; 1871, \$59,679; 1872, \$90,288; 1873, \$102,824; 1874, \$108,742; 1875, \$120,054; 1876, \$135,906; 1877, \$155,524. The expenditure for administration bears the following per centage rate to the expenditure on Schools, in 1868, it was sixteen *per cent.*; 1869, twenty-two *per cent.*; 1870, nineteen *per cent.*; 1871, twenty-three *per cent.*; 1872, thirty-two *per cent.*; 1873 and 1874, thirty-three *per cent.*; 1875, thirty-six *per cent.*; 1876, forty-one *per cent.*; and in 1877, forty-seven *per cent.*—being within a fraction of fifty *per cent.*, or equal to one-half of the amount granted or distributed to the schools by the Government. The first great upward bound in the expenditure in this Department—from twenty-three *per cent.* to thirty-two *per cent.*, took place in the year in which Mr. Blake was Prime Minister and Mr. Mackenzie Treasurer. The next marked increase was in 1876 when a minister, a political head, was appointed to the Department of Education; the result is calculated to make the friends of education doubt the wisdom of the change. Contrast the cost of administration in 1877 and 1868—\$155,524 with \$37,382. The former was under the Minister of Education—a political chief—while the latter was expended under the careful supervision of the then Chief Superintendent, the able and devoted father of our common school education, the venerable Dr. Egerton Ryerson. I cannot refer to this eminent man without paying him the tribute of saying that his services have placed the people of Upper Canada under a debt of gratitude to him greater than they can discharge.

The Administrative or Departmental expenditure has been increased from \$59,679, the sum at which it stood in 1871, when Mr. Sandfield Macdonald retired, to \$155,524 in 1877.

The amount distributed among schools in 1871 was \$250,462, and the cost of administration that year was \$59,679. The amount distributed in 1872 was increased to \$281,619 and the cost of administration was swelled to \$90,288. In other words, in 1872 the grant to schools was increased \$31,157, and the cost of administration was increased \$30,609, or to within \$548 of the increased amount of the grant to schools.

Can this result have been due to anything less excusable than a heinous abuse of patronage? But it has been surpassed by the present Government, as the following facts establish. The amount distributed among schools in 1877 was increased to \$329,243, and the cost of administration was increased to \$155,524. In other words, the grant to schools in 1877 exceeded that of 1871 by the sum of \$78,781, and the cost of administration in 1877 exceeded that of 1871 by \$95,845, being \$17,064 more than the increased amount of the grant to schools.

COMPARE THE YEARS OF MESSRS. SANDFIELD MACDONALD, BLAKE, AND MOWAT.

I have compared Mr. Blake's year, 1872, and Mr. Mowat's last year, 1877, with Mr. Sandfield Macdonald's last year, 1871. I will now compare Mr.

Mowat's last year, 1877, with Mr. Blake's year, 1872. The amount distributed among the schools in 1877 exceeded that of 1872 by \$47,624, while the cost of administration in 1877 exceeded that of 1872 by \$65,236. It is thus made apparent that, while Messrs. Blake and Mackenzie far outran Mr. Sandfield Macdonald in expenditure on the administrative branches of the Educational Department, they in their turn have been distanced by their pupils in the school of extravagance—Messrs. Mowat and Crooks.

EFFECT OF THE SYSTEM ON THE SCHOOLS.

If these gentlemen should be allowed to remain in office for four years more, and should continue to increase the cost of administering the school system as they have done since they succeeded to power, either the grants, already very heavy, must be increased or the efficiency of the schools will be impaired.

The expenditure for libraries, maps, prizes, museum, &c., has also been greatly increased. In 1871 it amounted to \$38,795; in 1872 to \$47,285; in 1877 to \$63,939. If I could be assured that these large sums have been expended judiciously and without favoritism, I should not object to them, but that is precisely what is doubtful. The School Trustees throughout the country are the parties most immediately interested in this expenditure.

I have included in the cost of administration the expenditure on the Normal and Model Schools. I am aware that a portion of this should be charged to Schools, but I have not been able to separate what belongs to Schools from what belongs to Administration, and, as I have throughout applied the same rule to this expenditure, the correctness of my comparisons is not appreciably affected.

TABLE No. 7.—CROWN LANDS.

The increase in the expenditure of the Crown Land Department has been rapid and enormous, and, I fear, corrupt. The character of the increase is noteworthy; it is largely for salaries and commissions to agents and inspectors, for surveys, and forest-ranging—services which admit of the dispensing of much patronage. A part of the exceptional expenditure of 1872 and 1873 was no doubt incurred in obtaining information regarding the Timber Limits which were sold at that time. The Contingencies of the office at Toronto were nearly three times as much in 1872 as they were in 1871, increasing from \$8,454 to \$23,198, and they are still enormous.

DOMAIN DECREASES, EXPENSE OF MANAGEMENT INCREASES.

While the Public Domain has decreased in area since 1871, the expense of managing it has increased prodigiously. There seems to be no room to doubt that, since and including 1872, the management of this Department has been unpardonably extravagant.

TABLE No. 8.—ARTS, AGRICULTURE, &c.

I would call attention to the aggregate amount granted to various institutions and societies, and to the rate at which it is increasing. In 1871 these amounted to \$116,537, and in 1877 they had increased to \$161,385. The societies which have been aided may be deserving and praiseworthy, but unless grants of this nature be closely scrutinized, they open a door for favoritism and corruption.

TABLE No. 9.—IMMIGRATION.

The gross expenditure on Immigration has been enormous, and no appreciable return has been obtained for years.

A moderate Immigration Establishment is necessary, but much of the large outlay of late years must have been practically squandered. I proved elsewhere that the expenditure by the Dominion Government last year for this service amounted to \$30.68 per head of the immigrants who were induced to come to this country through the agencies employed by the Department.

TRAMPS NOT IMMIGRANTS.

Mr. Pardee, the Commissioner of Crown Lands, when electioneering last summer for Mr. Mackenzie, ventured not only to question the correctness of this statement, but accused me of misrepresentation. In the *Globe* of the 3rd June last, Mr. Pardee is reported to have "defended the actions of the Ottawa Government, and crushingly replied to the absurd statements and misrepresentations contained in Senator Macpherson's pamphlet." He ought not to have sacrificed truth in an attempt to defend the Ottawa Government, and he ought not to have maligned me. He knew that I had understated the cost per head of immigrants in 1876-7, as I had not taken into account the amount spent by Ontario. He must reckon as immigrants, the tramps who enter the Province at one frontier town, and beg or steal their way through the country to another frontier town, and thence re-enter the United States. In no other way can he show the number of immigrants influenced by the Department to have exceeded that named by me. Mr. Pardee would have acted a more judicious part, if he had repressed his electioneering zeal in behalf of Mr. Mackenzie, and been content to enjoy in peace what our neighbors would call his salary and sessional grabs. The gross expenditure for immigration by Ontario, including the Salaries and Contingencies at Toronto, has increased from \$29,712 in 1871, to \$47,664 in 1877, being an increase of over 60 per cent. Some of the items are startling, and I fear profligate.

TABLE No. 10.—PUBLIC WORKS AND BUILDINGS.

The expenditure on each building and work is so clearly shown that, assuming it to have been incurred under Acts of the Legislature, I do not feel called upon to offer any comments upon it, further than to say that the expenditure on Osgoode Hall of \$40,870 was chiefly, if not alto-

gether, incurred to provide accommodations for the new Court of Error and Appeal.

HOW ARE THE PUBLIC INSTITUTIONS SUPPLIED? WHY NOT BY TENDER AND PUBLIC COMPETITION?

TABLE No. 11.—MAINTENANCE OF PRISONS, ASYLUMS, &c.

The expenditure on the above objects has more than doubled since 1871. If the money has been carefully expended, no one will complain of its increased amount. But is the management characterized by economy? Contracts for the furnishing of all supplies to the institutions should be let periodically by public tender. I cannot learn that this is done. Now that the adulteration of food has become a science, all supplies received by the Government should be inspected, to ascertain that they are unadulterated, and that they are also of the qualities stipulated for in the contracts. The opportunities for favoritism in ordering supplies, unless it be done by public tender, and for dishonesty in executing the orders are greater in this Department, probably, than they are in respect to any other equal amount of the Public Expenditure.

The details of this outlay are not given in the Public Accounts. The Government must believe the people to be indifferent to economy, or they would not have the boldness to suppress any of the details of an expenditure which for last year amounted to no less a sum than \$407,25. The names of the contractors who furnished the supplies are not even given. Why are they withheld? Now, if the supplies are being taken except under contracts obtained by open *bonâ fide* competition, in respect to price and quality, the Government is doing that which is deeply censurable. But if supplies are purchased without competition, it is the more necessary that the names of the favored contractors and the amount of public money paid to each of them should be made known to the people. The self-styled Reform Ministers, both at Toronto and at Ottawa, have seemed to ignore with contempt the people and the people's representatives when the spending of money was concerned.

The maintenance of our public institutions, and the whole of the Public Expenditure, should be subjected every session to rigid scrutiny before a committee of the Legislature, and among the standing committees is one on Public Accounts; but the Government does not encourage an audit. I am informed that the examination into the expenditure of 1875 was not completed last session. Does not this prove that under the present Government the pretended audit is a solemn mockery?

TABLE No. 12.—SPECIAL FUNDS.

The statement shows the expenditure on account of certain Funds, &c., made under the authority of the Legislature.

TABLE No. 13.—MISCELLANEOUS.

The items in this Table are distributed through the Public Accounts.

OUR RESOURCES AND HOW THEY ARE USED.

TABLE No. 14.—ANNUAL RECEIPTS.

This is a condensed statement of the gross receipts of the Province for each year since Confederation, and may excite well-grounded alarm in the minds of the people of Ontario. I have classified the sources of income so as to show what may be considered the normal revenue of the Province—that on which the expenditure should be based. What I call the “Ordinary Revenue” has for the last five years averaged annually a little over a Million and a half of Dollars, and is not likely to vary materially.

“Territorial Revenue” is the only other important item of income. It amounted last year to \$624,705. The receipts for land must largely be for arrears on account of sales made in past years, and the amounts coming in from that source are rapidly diminishing; for instance, the amount received for Crown Lands in 1877 was less than one-half of that received in 1873, and less than one-fifth of that received in 1871. Yet mark, that in 1871, when the Territorial Revenue was \$758,550, the expenditure in the Crown Lands Department was \$107,743, while in 1877, when the Territorial Revenue had decreased to \$624,705 the expenditure in the Crown Lands Department, under the Commissionership of Mr. Pardee, increased to \$146,895. In 1871 the expenditure amounted to 14 *per cent.*, and in 1877 to 23 *per cent.* of the gross revenue. For the purpose of this comparison I have excluded from the Crown Land expenditure the amounts spent on Colonization Roads in both years. The receipts from School Lands have to be held in trust for Ontario and Quebec. Comparatively little public land of attractive quality remains undisposed of by the Crown, except what is offered as free grants. It will thus be seen that the only portion of the Territorial Revenue which may be considered in some measure permanent is that derived from the Forest—for the privilege of cutting timber. The revenue from this source was abnormally stimulated by the Government in 1872 and 1873. It has averaged \$414,211 a year for the last four years, and, I fear, it is more likely to diminish than to increase. The interest on investments is, of course, revenue, but it is a variable and uncertain item. As the investments are reduced the amount of interest will decline, and under the present Government I fear it would soon disappear altogether.

The territorial income, although treated as revenue, is really capital, for it is received either for land sold or timber cut down. There is no source from which indirect revenue may be drawn to take the place of the present territorial revenue. Indeed, by diverting into the Provincial Exchequer a portion of the revenue derived from tavern licenses, which many

think properly belongs to the Municipalities, Mr. Mowat may be said to have inaugurated direct taxation for Provincial purposes.

A SERIES OF DEFICITS—GOING BEHIND EVERY YEAR.

The prevailing opinion in Ontario is, I think, that the finances of the country are in a sound and satisfactory condition—that the Revenue exceeds the Expenditure, and that the Province rejoices in an annual surplus. I regret that it should have devolved upon me to dispel this agreeable delusion, but the people should be told the truth about their own affairs, even if it should be, and in this case I believe it will be an appalling revelation. Will it not astound the people to learn that the Expenditure has exceeded the Revenue for each of the last four years—that the Province of Ontario has had four annual deficits—each of them larger than the preceding one? Such is, unfortunately, the fact, as will be seen by referring to my tables of Expenditure and Receipts (Nos. 1 and 14), the contents of which are taken from the Public Accounts. The result for those years was as follows:—

	1874.	1875.	1876.	1877.
Expenditure	\$3,871,492	\$3,604,524	\$3,140,627	\$3,117,413
Revenue.....	3,446,348	3,159,495	2,589,224	2,452,078
Deficit, 1874.....	\$425,144			
Deficit, 1875.....		\$445,029		
Deficit, 1876.....			\$551,403	
Deficit, 1877.....				\$665,335

Thus the accumulations of former years had to be drawn upon to meet these deficits to the amount of **\$2,086,911.**

CASH STATEMENT—FOUR YEARS MORE OF MR. MOWAT'S GOVERNMENT AND DIRECT TAXATION INEVITABLE.

TABLE No. 15.—CASH DEPOSITED OR INVESTED AND WITHDRAWN.

This statement shows the cash transactions of the Government and the balance on the 31st December of each year since Confederation. It shows the annual increases and decreases of the surplus year by year. The balance remaining on hand on 31st December last was \$2,639,212, over One Million of Dollars (\$1,008,734) less than the sum which the self-styled Reform Government inherited from Mr. Sandfield Macdonald's Government.

Yet, in the presence of these annual and annually increasing deficits, Mr. Mowat increased the salaries of himself and colleagues and twice increased the sessional indemnity to members of the Legislature; he increased the expenditure for the administration of justice \$132,244 in addition to increasing the costs of litigation; he increased the expenditure for education \$128,516, exclusive of the largely-increased direct taxation for the same purpose. In short, he increased the public expenditure generally and lavishly. Can Mr. Mowat have been aware of the actual condition of the Provincial finances?

In the matter of deficits his Treasurer seems to have emulated the Finance Minister of the Dominion.

If Mr. Mowat should be allowed to remain in office four years more, the deficits on the annual transactions—at the rate of last year—would absorb more than the balance remaining of the surplus, and a sum would have to be provided by direct taxation to cover the expenditure.

When I took up the Public Accounts to analyze them, I confess I had no conception that the finances of Ontario were in the alarming condition in which they are. The facts seem to prove that the Government is incapable and reckless. Their mal-administration and extravagance have been flagrant and call for condemnation as signal as was meted out to Mr. Mackenzie's Government.

In laying before you evidences of some of the delinquencies of Mr. Mowat's Government, I am influenced solely by a desire to promote the public welfare, and to purify Canadian public life. Even Mr. Brown will not charge me with being a candidate for Cabinet office in Ontario, or with seeking favors from the Government of this Province.

PERSONAL—MR. BROWN'S MISREPRESENTATIONS.

Desiring to lessen my influence with the people, Mr. Brown, misrepresented the motive of my opposition to the late Government of the Dominion, and through his newspaper, charged me shortly before the late general election, with being a candidate for Cabinet office. Referring to me, he said: "He is simply working for a Cabinet office in the Administration of Sir John Macdonald when the latter returns to power."

I denied this at once, in the following words, addressed to Mr. Brown:

"I am not a candidate for Cabinet office, and I think you must be aware of the fact.

"The following is an extract from my pamphlet of June, 1877:—

'I am, as you all know, one of the non-official class, having nothing to gain by the rise and fall of Administrations; having no object to serve beyond that which I have in common with you and with every lover of, as well as with every taxpayer, of Canada—interested only in the good name and fair fame of our country; interested in the honest, efficient and economical administration of public affairs; and, above all, because essential to the attainment

‘of the others, interested that our Ministers should be men worthy to constitute the Government of Canada—men of high character and consistency, ‘men of truth and honor.’”

Mr. Brown, acting with great unfairness, did not publish my letter denying his unjust imputation of improper motives. He would not allow the readers of the *Globe* to see it.

When the Cabinet was made up, Mr. Brown, still wishing to impute to me the character for which the members of his own party are notorious—self-seeking—published in the *Globe* the following paragraph:—

“Senator Macpherson is to receive—should there be no slips ’twixt the cup and the lip—the Lieut.-Governorship of Ontario when the term of office of the Hon. Mr. Macdonald terminates in June, 1880.”

I need scarcely say that the statement is as baseless in fact, as the motive for its publication was base. It must have been invented in the *Globe* office. There never was a tittle of foundation for it. I had no communication, direct or indirect, with Sir John Macdonald while he was engaged in forming the new Ministry. I knew too well what was due to him, and to myself, to volunteer advice touching the *personnel* of his Cabinet, and with his great experience he did not need to seek advice except from those whom he had selected for his colleagues. My friends had long known that I had no aspiration for Cabinet office. The sacrifices which a residence at the seat of Government would entail would be greater than I would willingly incur. Under our system of Parliamentary Government, I am aware it would be unbecoming and improper for any public man to say, that he would not, under any circumstances, accept office. Circumstances might arise which would make the acceptance of office an imperative duty, but I neither desire nor expect that that duty will ever be imposed upon me.

With respect to the high and honourable office of Lieut.-Governor of Ontario, I quote the following words from my pamphlet of December, 1877.

“Before the late Mr. Crawford was appointed Lieutenant-Governor, my name was freely mentioned in the press as the probable successor to Mr. Howland; and I did not keep it a secret from my friends, many of whom spoke to me upon the subject, that I would not accept the office, if it were offered to me; that, in fact, I would not exchange my Senatorship for any office in the gift of the Government.”

The views I held then are unchanged. It is with reluctance that I refer to matters so entirely personal to myself, but I am constrained to do so for the purpose of counteracting the effect of the misrepresentation of my motives, in which the *Globe* has seen fit to indulge.

DOMINION AFFAIRS.

While addressing you, I shall offer some remarks on Dominion affairs.

The Mackenzie Government was routed—righteously routed—at the polls, on the 17th September last, but Mr. Mackenzie and his colleagues clung to

office for weeks thereafter, exercising Ministerial functions, in direct violation of their own former pledges and of modern British usage.

THE *GLOBE* DEMANDS DETAILS OF NATIONAL POLICY BEFORE PARLIAMENT MEETS.

The new Ministers—those who are members of the House of Commons—had to present themselves to their constituents for re-election. This occupied several weeks, and November was well advanced before they were able to assemble at Ottawa and enter upon their Cabinet and Departmental duties. Yet in the face of these plain facts, from the day Sir John Macdonald was called upon to form an Administration, the self-styled Reform press throughout the Dominion, led by the *Toronto Globe*, has been demanding to know the details of the National Policy which the new Government propose to submit to Parliament. The so-called Reform organs actually clamored for these details before the new Government was installed in office to deliberate and determine upon them. These editors must entertain a very low opinion of the intelligence of their readers, if they think they can impose upon them what is so transparently unreasonable, unfair, and absurd. They must look upon them as incapable of discerning between what is just and unjust, between fact and fiction. In short, they must believe them to be thoroughly gullible. The writers in the *Globe* have acted on this assumption for many years.

PEOPLE DO NOT NOW RELY ON THE *GLOBE*.

But I should have thought that the experience of the 17th September last would have awakened even the Honorable George Brown to the fact that his dupes do not now number more than a small minority of the people even of Ontario. Education has emancipated them from his tyranny. They now distinguish between the truths and untruths which appear daily in the *Globe*. They have discovered that that newspaper is not written in the interests of the people, but for the political aggrandisement of its chief proprietor—Mr. Brown. They have learned that public questions are not fairly submitted nor honestly discussed in the columns of the *Globe* and of its satellites, but that all questions in controversy are represented as faultless or altogether bad, according as their authors are subservient, or the reverse, to Mr. Brown.

The absolute truth of this statement will not be denied by any intelligent reader of the *Globe*.

DEMAND FOR DETAILS OF NATIONAL POLICY MADE TO LEAD PEOPLE AWAY FROM CONSIDERATION OF MAL-ADMINISTRATION AND CORRUPTION OF LATE GOVERNMENT.

The loud, and audacious demand for the details of the National Policy is prompted by a desire to withdraw public attention from the con-

sequences of the grievous mal-administration of the Mackenzie Government, and in taking this course the *Globe* exhibits considerable astuteness. It is making a bold and impudent attempt to lead the country away from the consideration and the remembrance of the maladministration and corruption of the late Government, and trying to make it appear that their ignominious defeat was altogether due to their *honest* opposition to the National Policy.

Those who were engaged actively in the late contest, know that this is, to a very large extent, unfounded. They know, and the members of the late Government and Mr Brown know, that the proved personal recreancy, violation of pledges, political inconsistency, and administrative incapacity, extravagance, nepotism, favoritism, and corruption of the late Administration had insured their defeat.

THE ELECTORATE ASHAMED OF GRIT GOVERNMENT.

The failure of Mr. Mackenzie and his colleagues as statesmen and administrators was so complete that the more intelligent members of their own party had not only lost confidence in them, but were ashamed of them, and many either abstained from voting, or went behind the ballot screens and voted against the Grit candidates. These are indisputable and widely known facts. The agitation of the National Policy increased the majority against the Mackenzie Government; but that Government was fore-doomed, even if the National Policy had not been in controversy.

MR. BROWN'S OBJECT.

Mr. Brown's object in laboring to make it appear that the National Policy was the sole issue before the people at the late elections, and the only one on which they rendered a verdict, is very obvious. He knows that, if the issue can be narrowed to one of public policy, and the defeat of the late Ministers be attributed solely to their having taken the unpopular side on a public question, the difficulty of rehabilitating them, even measurably, will be much less than if the facts of their total unfitness to govern be kept prominently and constantly before the public.

To give effect to the National Policy, it must be embodied in a tariff, and a change of tariff necessarily touches every great interest in the country—Agricultural, Manufacturing, Importing, in short, all the interests of producers and consumers. No matter how much earnest care and anxiety, aided by the best information within their reach, the Government may exercise in re-adjusting the tariff, it will be impossible to so frame it as not to disappoint many persons. It must be manifest that the details of a new tariff will afford greater scope than perhaps any other question, to unscrupulous politicians of Reform pretensions, and to their organs in the press, for hostile criticism in a garb of candour, not to say misrepresentation of the Government, and for arousing jealousies and dissensions in the Ministerial ranks.

THE PEOPLE SHOULD NOT BE MISLED BY FALSE ISSUES.

It would delight Mr. Brown to be allowed to fight the battle of the next five years exclusively upon the National Policy question. He spreads his net daily and craftily for his Liberal-Conservative opponents. I venture to warn them of the danger of being entrapped. The offences and deficiencies of the late Government, and the appalling cost to the country of their incapacity and corruption should be kept continually before the people.

It has become the fashion, now that Mr. Mackenzie has fallen, to say that his past short-comings should be consigned to oblivion, and that he himself should be spoken of with sympathy and even with respect.

The consideration besought for him is greater than should be extended to any one occupying his peculiar position. I presume it is asked for him on the principle that, "Nothing but what is good should be said of the dead." But, while it is to be fervently hoped that Mr. Mackenzie may never again fill the office of Prime Minister, he is not politically dead. He is still a member of the House of Commons, and no doubt *faute de mieux*, under Mr. Brown, will be the leader of the Opposition.

MR. MACKENZIE.

Mr. Mackenzie is responsible for the frightful mis-government of the last five years, and, with his Minister of Finance, for the alarming mismanagement of the public finances, for the unnecessary increase of the controllable expenditure, and for the general extravagance and waste of the people's money. He is also responsible for the incapacity and recklessness which characterized his administration of the Department of Public Works. Mr. Mackenzie will be called upon, during future sessions of Parliament, to explain his many and costly errors.

The new Ministry have entered upon their duties under circumstances of unparalleled difficulty, and I am sure the people at large will judge them considerably, and generously.

DIFFICULTIES IN THE WAY OF PRESENT GOVERNMENT.

It is well known that they found the finances of the country not only "mixed and muddled," but in a state of great embarrassment; the Exchequer depleted; millions of debt maturing next January and no provision made for its payment; enormous engagements incurred for the construction of public works which had been commenced or conducted by Mr. Mackenzie's Administration in a haphazard and extravagant fashion; millions which had been borrowed expressly to meet these engagements alienated to the payment of interest on the Public Debt and the ordinary expenditure of the country. Yet, knowing of these engagements, and knowing that his Government had failed to provide for them, Mr. Mackenzie endangered the credit of the country by clinging to office after his Administration had ceased to represent the people.

If Mr. Mackenzie's Government had not been utterly reckless, the Minister of Finance would have gone to England and negotiated a loan early last summer. Had he gone then he would have been in London when the Treaty of Berlin was concluded, when money was abundant and cheap, when capitalists were cheerful and hopeful, and when the public feeling toward Canada was unusually friendly and warm. A loan at that time could have been offered under the most favorable conditions. How changed are all the circumstances. The rate of interest at the Bank of England in June was $2\frac{1}{2}$ *per cent.* Now it is 5 *per cent.* Gloom has taken the place of hope in the public mind. Confidence has been rudely shaken by that far-reaching financial catastrophe—the failure of the City of Glasgow Bank. Credit has been impaired and it is under these most adverse conditions that the new Minister of Finance is forced to enter the money-market of the world to borrow millions. The late Government placed the country at great disadvantage—almost at the mercy of money lenders. When the Minister of Finance ought to have been in England, he and the Prime Minister were coursing over the Dominion, pic-nicking and junketing, viperously slandering their political opponents, falsifying the record of their own Administration, and earning for themselves the disfavor and contempt of the intelligent persons who compose the great body of the Canadian people.

RETAINING OFFICE AFTER DEFEAT.

One of the most culpable acts of mal-administration of which Mr. Mackenzie's Government was guilty, was the imperiling of the public credit not only by failing to provide at the proper time for the public engagements, but by retaining office for weeks after the defeat of his Ministry, thereby excluding their successors, who alone were competent to enter into arrangements on behalf of the country. Still their having acted as they did may not have been an unmitigated evil. In the new Minister of Finance and his colleagues the capitalists of England will find men in whom they may have implicit confidence. They know that Mr. Tilley does not carry a "two-faced shield," and that perfect reliance may be placed in his representations. They will require no assurance that no portion of the money which he may borrow will be misapplied and represented by nothing more tangible than deficits.

UNCONSTITUTIONAL ACTION OF MR. MACKENZIE.

I observe that Mr. Mackenzie is reported to have addressed a meeting of his partizans at Seaforth, in October last, in almost apologetic terms for having resigned office; for having surrendered the patronage of the Crown,—the power of dispensing rewards among his insatiable followers—before the meeting of Parliament, and that he took credit to himself for having been governed by constitutional principles worthy of a Disraeli and a Gladstone. It would be gratifying to the country to believe that, notwithstanding his failure as a statesman

and an administrator, Mr. Mackenzie had resigned so soon as he discovered that the people had withdrawn their confidence from him, and that in doing so had redeemed his own pledges, fulfilled the spirit of the Constitution, and followed the precedents set by modern British statesmen. But I apprehend Mr. Mackenzie is not entitled to credit for having been moved to resign by constitutional considerations. Instead of resigning office the moment the people withdrew their confidence from him he clung to it with unseemly tenacity. He followed tardily and with apparent reluctance the example of defeated British Prime Ministers. The truth is, Mr. Mackenzie retained office as long as he could do so, and longer than he would have retained it, had he been animated by the constitutional principles which he professed, or by a proper regard for the public interests. Mr. Mackenzie knew that he could not retain office till the usual time of the meeting of Parliament. Debentures of the Dominion, amounting to between Seven and Eight Millions of Dollars, will mature in London on 1st January next, and his Government had not provided funds to meet that and other heavy engagements which will also mature in January. The only way in which these can be met is by negotiating a new loan, and I need scarcely say that a defeated Government could not negotiate a loan.

On the 17th September Mr. Mackenzie's Ministry lost its authority to bind the country to new engagements, and, had he sent his Minister of Finance to London, to borrow money, that gentleman could not have succeeded. British capitalists would not have treated with the representative of a Government which had been rejected and deposed by the people. It will thus be seen that Mr. Mackenzie having neglected before the elections to provide for the obligations of the Dominion, could not do so afterwards, and that, unless these obligations were provided for, the credit of the country would be destroyed.

I think you will agree with me that, under the circumstances, Mr. Mackenzie is not called upon to apologize for having made way for those who are alone authorized to act in the name of the people, and you will also think with me that, in speaking as he did at Seaforth, he permitted it to be understood that he would have retained office, could he have done so, until Parliament met, regardless of his former pledges, not to speak of the unconstitutionality of such a course.

Some of the late Ministers, and notably the late Minister of Finance, have got into the habit of off-setting the Sinking Fund against the deficits, thus representing the Sinking Fund as a cash asset. Nothing could be more erroneous and misleading, and when such unsound views were held in the Finance Department, it is not surprising that deficits were lightly thought of.

Under the conditions on which loans have been obtained, the contributions to the Sinking Fund must be annually invested and held in trust, and the amount must be voted by Parliament like any other item of expenditure. The fund thus created goes on accumulating for the purpose of extinguishing, at maturity, the loan for the payment of which it was created.

For this purpose, and for this purpose only, it is, or rather it will become an asset. To apply any portion of it to any other use would be a breach of trust, an act of repudiation which the present Government will certainly not commit.

ENCOURAGEMENT OF RECIPROCAL TRADE WITH OTHER COUNTRIES.

In addition to having to provide for large financial engagements inherited from their predecessors, Sir John Macdonald's Government will have to inaugurate a new Commercial Policy, which, while it shall afford protection to our home industries, will yield sufficient revenue, and while it shall prevent Canada from being made the "sacrifice market" of reckless foreign producers, will not prohibit the importation of honestly-priced foreign commodities, and will not check the sound competition which the interests of consumers require. The present tariff is full of injurious anomalies which should be removed. Some of the most important industries are heavily handicapped. These will doubtless be relieved and permitted to prosper.

In remodelling the tariff I hope the Government may see its way to invite and encourage reciprocal trade relations not only with the mother land and sister colonies, but also with foreign countries. The establishment of such relations would, in my opinion, be productive of important advantages to Canada. I hope the time will come and is not distant when the Imperial Government shall declare the British Empire to be "one and indivisible," and when the many countries composing it may trade with one another on more favorable terms than with Foreign States. Until then it will be impossible to estimate the height of national greatness and commercial prosperity which the Empire may attain. I am not without hope that the manufacturing depression now prevailing in Great Britain may lead the minds of her thoughtful people to the consideration of the advantages which would result from a closer union of interests than now exists among the various members of the Empire.

PUBLIC WORKS—THE PACIFIC RAILWAY.

The new Government will have to decide what public works shall be proceeded with, pending the restoration of the equilibrium between revenue and expenditure, so recklessly and seriously disturbed by the Mackenzie Government. Foremost among our public works is the Pacific Railway, and, considering the large expenditure which has been incurred upon the two ends of the section between Lake Superior and the Red River—an expenditure which will be utterly useless until the whole section is completed—it is not desirable that time should be lost in finishing it. The location of the Railway, west of the Red River will, no doubt, receive further and careful consideration, resulting, it is to be hoped, in finding a line through the fertile and settled region south of Lake Manitoba more desirable than the Northern line of the late Government. The location by the Northern route was reported to

have been adopted, but fortunately ground has not been broken upon it. The Government, therefore, is free to select the best alignment that can be found, and to cross the Red River at any point between Selkirk and the city of Winnipeg.

THE PRACTICE OF RIGID ECONOMY NECESSARY.

The new Government, owing to the extravagance and waste of the Mackenzie Administration, will be compelled to enforce the most rigid economy throughout the Dominion, and will be expected to introduce a scheme of retrenchment, beginning with the salaries of Ministers and the sessional indemnity of members of Parliament, and extending to the Civil Service, so far as may be compatible with justice and true economy. Almost all the Opposition candidates, in Ontario at least, denounced very properly during their canvass the extravagance, selfishness, and inconsistency of Mr. Mackenzie and his colleagues in continuing to draw, during the great depression, salaries, which they, when in Opposition, had pronounced excessive.

WASTEFUL INCREASE OF EXPENSE IN CIVIL SERVICE BY LATE GOVERNMENT.

I believe there is room for much retrenchment in the Civil Service, not in reducing the salaries of efficient officers, but in dispensing with supernumeraries. When the Mackenzie Government succeeded to office, they found an adequate staff of officials in all the Departments. Instead of waiting for vacancies in which they might with propriety place their *protégés*, they at once appointed a multitude of them as extra clerks and supernumeraries—no doubt at the instance of their self-seeking supporters. Some of these temporary appointees have been transferred from time to time, in many instances unnecessarily, to the permanent list. This is one of the ways in which the controllable expenditure has been enormously and improperly increased. The Government will, no doubt, take steps to stop the wasteful expenditure caused by the costly and corrupt abuse of patronage perpetrated by their predecessors. While I think this course should be pursued in the case of supernumeraries improperly appointed, I am not at all in favor of the American system of dismissals on the occasion of every change of Government. On the contrary, I am uncompromisingly opposed to it. The public service requires that the non-political officials should serve their political chiefs for the time being with perfect loyalty. It surely would be most unjust to punish and ruin them and their families for having faithfully discharged their duty.

EXCESSIVE COST OF COLLECTING THE REVENUE.

The "Charges on Revenue," that is, the cost of collecting the Revenue through the Customs, Post Office, and other Departments, have been excessively and, I fear, corruptly augmented under the Mackenzie Administration.

For instance, the cost of collecting the Customs Revenue in New Brunswick for 1873 was \$73,353, and for 1876 it was \$96,171, being an increase of \$22,818; while the Revenue in 1877 was \$155,220 less than in 1873. The cost of collecting the Customs Revenue in New Brunswick in 1877 was within a small fraction of nine per cent. of the Revenue, while in the United Kingdom it was only 3.38 per cent. It would seem impossible that the great increase in the cost of collecting our Revenue can have been necessarily incurred. I fear that it is due to the same favoritism and corruption that have been exposed in so many other quarters.

The Government may find it necessary to appoint a Commission of competent persons to ascertain what retrenchment can be effected in the chief Revenue Departments, and what supernumeraries can be dispensed with. It is no doubt difficult for Ministers to resist the pressure of supporters for the appointment of their friends to office. In view of this, and to secure greater efficiency and economy in the public service, it may become advisable to create an independent permanent Board analagous to the Civil Service Commission of England, through which appointments and promotions in the Civil Service should alone be made.

IRRESPONSIBLE EXPENDITURE IN THE NORTH-WEST.

The Ministry will doubtless consider it necessary to enquire into the enormous expenditure through irresponsible purveyors in the North-West. I believe the waste in that region has been prodigious. A full enquiry can only be made where the expenditure has taken place.

BURDENS INHERITED BY PRESENT GOVERNMENT.

It is manifest that the new Government has inherited from their predecessors a burden of responsibility and labor such as has never devolved upon any preceding Administration in this country. I have named only a few of the weighty and important matters which they will have to deal with. Under the circumstances and in the interests of the country they are entitled to receive consideration and sympathy even from fair-minded opponents among the public men and press of the Dominion.

SECTIONALISM AND INTOLERANCE OF MR. BROWN.

But how is the new Administration treated by the leader of the Opposition and his newspaper—the Honorable George Brown and the *Globe*? The individual members of the Government are traduced with characteristic virulence, while provincialism, sectionalism, and religious intolerance are fomented and personal self-seeking is encouraged.

In Mr Brown's opinion, apparently, the place of a public man's domicile and his faith, not his experience, or his recognized abilities as a statesman and an administrator, should constitute his passport to the Cabinet.

Mr. Brown's efforts as a public man and a journalist have been devoted to inculcating sectionalism and bigotry—sectionalism between Provinces, antipathies between races, intolerance between religious denominations. For a time his unpatriotic labors met with too much success, but, under the influence of education, the people now receive the teachings of the *Globe* at their true value, as was demonstrated on the 17th September last.

MR. BROWN'S EFFORTS TO CREATE DISSATISFACTION IN THE DIFFERENT PROVINCES.

But Mr. Brown's rôle is unchanged. He says to Ontario, tauntingly, that all the important portfolios in the new Ministry have been given to the Maritime Provinces. He endeavors to make New Brunswick dissatisfied by telling her that only one of her sons holds a portfolio in the Cabinet, while two of them held portfolios under the Mackenzie Government. Mr. Brown is thus exercising his influence, through the *Globe*, to prevent the consolidation of the Dominion. When the first Government was formed, after Confederation, it was natural that each Province should have had her trusted statesmen in the Cabinet, to guard her interests, but it is to be hoped the necessity for such caution is passing away and that the time is approaching when no greater number of Ministers will be appointed than are absolutely required to conduct the public business, and that they shall be chosen on account of their conspicuous fitness, and not because of the provinces they hail from or the creeds they profess.

I hope the time will never come when the people of any portion of the Dominion shall have cause to believe that justice, whether administered on the Bench, in the Cabinet, or in the halls of Parliament, has been turned aside either by sectionalism or bigotry. The encouraging of provincialism is unpatriotic and dangerous. If successful, it will check the consolidation of our Confederacy, prompt demands for local purposes upon the Dominion treasury, which that treasury is ill able to bear, and tend generally to exalt the Provinces at the expense of the Dominion. Yet our spurious Reformers seem unable to outgrow the narrow provincialism, which is inculcated daily in the columns of the *Globe*. Among the evidences of its corrupting tendency, is the survey three years ago of sites for thirty-four new harbors in the Maritime Provinces at a time when the Dominion Exchequer would not permit their construction.

HYPOCRISY OF THE MEMBERS OF THE LATE GOVERNMENT

I observe that Mr. Mackenzie and the other members of his late Government, as well as the rank and file of his party, asseverate solemnly, when addressing the public, that they have always been consistent and conscientious Free Traders; that their faith in the teachings of Adam Smith, Cobden, and Bright has never wavered; that they now have the proud consciousness of

having fallen martyrs to the truth they held so dear, and of having sacrificed place, and power, and patronage on the altar of lofty principle.

If this were true, Mr. Mackenzie and his friends would be entitled to public sympathy in their fall, and to the respect of all honest men. The people would lament that the conscientious adherence to a principle which had been found unsuited to this country should have necessitated the dismissal from office of a band of unselfish patriots.

Unfortunately for Mr. Mackenzie and his late colleagues their high sounding pretensions are unfounded. The facts are the reverse of what they state. Those who know the gentlemen well would scarcely expect them to make great sacrifices for the sake of principle, but, on the National Policy question, so far from sacrificing place to principle, they shamefully sacrificed principle for the sake of place. Happily for the country, their dishonesty failed to secure to them a continuance of power.

INTENTION OF THE GOVERNMENT IN 1876.

I am not divulging a secret when I tell you that it was well understood at Ottawa, during the session of 1876, that the Government intended to amend the tariff in the direction of a National Policy. Their friends at Montreal, especially among the manufacturers, believed they had reason to expect such an amendment, and, therefore, gave their support to the Ministerial candidate in a contest then in progress in that city. In Parliament, well-known semi-official heralds delivered eloquent speeches in behalf of native industry, foreshadowing, it was supposed, an increase of the tariff. The Minister of Finance, it was said, had prepared and was ready to launch his amended tariff, and hoped to receive for it the approval of the people, and especially of those interested in the waning industries of the country. But "the best laid schemes of mice and men gang aft agley."

REASON FOR ABANDONING THEIR INTENTION.

While Mr. Mackenzie and Mr. Cartwright were framing the measure, some of the members from the Maritime Provinces were organizing opposition to it, and they informed the Government, when on the eve of submitting it to Parliament, that they were Free Traders and would oppose an increase of Customs duties.

Here was a grave emergency! The votes of the dissentients added to those of the regular Opposition might defeat the Government. Then was the time for the exhibition of that exalted and disinterested principle which Mr. Mackenzie and his late colleagues now say had always animated them.

Undoubtedly the Ministry were proposing to remodel the tariff in the way in which they believed the public interests demanded, and they should have told their Maritime friends that, rather than sacrifice the public interests, and their own principles, they would surrender the reins of Government to their opponents. Adherence to principle, then, endangered place; and

what did Mr. Mackenzie do? Did he "elevate the standard of public "morality" and desire Mr. Cartwright to proceed with his tariff, to do justice to the country or fall in the attempt? No! he abandoned his tariff, and clung to office. The Minister of Finance instead of remodelling the tariff had to remodel his Budget Speech from one in favor of Protection to one in favor of Free Trade, and had to excuse—what was inexcusable—his failure to cover the deficit of the year. He had also to extenuate almost a crime—the payment of interest on the Public Debt, and other current expenditure out of loans—out of money which had been borrowed for other purposes.

DID NOT MR. BROWN SANCTION THE INTENDED POLICY OF 1876?

Mr. Brown, the master-spirit of the so-called Reform party, must have sanctioned the amendment of the tariff. Indeed its increase was semi-officially foreshadowed in the *Globe* of the 25th of February, 1876.

No silly articles upon the anti-British character of the National Policy appeared in the *Globe* in those days.

Mr. Brown must also have sanctioned the abandonment, of the intended change, when it was discovered that it would endanger his authority and the places of his friends. He probably went further, and directed the Government to yield to the gentlemen from the Maritime Provinces, assuring them that he, through the *Globe*, would ring the changes upon the Pacific Railway Scandal and the other scandals, so effectively, that the electors would be again deluded into supporting what he would represent as a Reform Administration. Mr. Brown and his friends have discovered that the public are not to be duped so easily; that the people are not content to be made their puppets.

I have given you a true narrative of what occurred at Ottawa, in the session of 1876, and I challenge Mr. Mackenzie and his friends to disprove it. They are bold and reckless in assertion, but I do not think even they dare deny what is so widely known and so susceptible of proof. If they should do so, I shall be glad to meet them before a Committee of either House of Parliament, when their testimony and that of others can be taken under oath.

MR. MACKENZIE'S BOAST OF HIS PROTECTION POLICY.

Mr. Mackenzie, in what has been called his "Exposition of Policy" speech, delivered at Sarnia on October 11th, 1875, alluding to the fact that he and his colleagues had increased the duty on imports from fifteen to seventeen and two-thirds *per cent.* (*sic.*) claimed merit for having given practical application to what is now known as the National Policy. "We have, "therefore,"—such was his boast—"given an incidental protection "to the extent of $2\frac{2}{3}$ per cent. more than had ever been imposed by any "previous Administration." While taking credit for increasing the protection

to native industries, Mr. Mackenzie still considered himself a Free Trader, as many advocates of the National Policy still regard themselves. But what he had done he thought "might be a sufficient answer to those who have "been accusing me of having it in view to inaugurate a free trade policy." Not that he would not gladly do so, if there were no imperative and all-controlling reasons why he should not; he would gladly do so, "if the circumstances of the country would permit, and if the position of our manufacturers would admit of it;" but, as these would not, and as he must as a patriotic Minister subordinate his personal views and desires to the wants of the country and condition of our manufacturers, he could not think of giving practical effect to those principles of Free Trade which theoretically he held so unreservedly. It must be obvious to all intelligent men who read Mr. Mackenzie's "Exposition of Policy" speech, that his opinions upon trade policy were of the elastic order, until he was persuaded by his Maritime supporters that he would lose office, unless Free Trade were declared to be the policy of his Government. Then, disregarding the "circumstances of the country," and the "position of our manufacturers," Mr. Mackenzie declared himself an uncompromising and life-long Free Trader; and then an enthusiastic friend of his in the House of Commons announced that Free Trade must be inscribed on the banner of the Reform party.

FATAL BLUNDER OF MR. MACKENZIE AND HIS COLLEAGUES.

It must have been gall and wormwood to the late Ministers to have discovered, as they did on the 17th September, that they had misjudged public sentiment, and that, had they increased the tariff in 1876, their position in the country would have been strengthened. The bitterness must be increased by the knowledge of the fact, which Sir John Macdonald and Dr. Tupper have stated publicly, that the Liberal Conservative party had decided to assist the late Government in raising the tariff. The leaders of the Liberal Conservative party determined to do this in the interests of the country, knowing well at the same time that the carrying of the proposed measure would strengthen their opponents at the polls. If the late Government had been honest enough to have proceeded with their intended tariff the unselfish support of the Opposition would have enabled them to have carried it, notwithstanding the defection of their Maritime friends. They discovered, when too late, that honesty would have been their best policy, but in that policy they never showed faith. In their case the twigs must have been bent, and the trees cannot be straightened.

But for the opposition of a few gentlemen from the Eastern Provinces how different would have been the attitude of the Reformers of Ontario in the late contest! The ardent Free Traders would have been more ardent Protectionists. Byles instead of Bastiat might have been Mr. Brown's guide, philosopher, and friend, and if any one had dared to quote Bastiat Mr. Brown could have proved conclusively from the

“sophisms of Free Trade” how absurdly inapplicable Bastiat’s principles and arguments are to a country like ours. This is the ludicrous side of the picture, but, unfortunately, it has a serious, a painful, and a humiliating side—that of men who have been Ministers of the Crown standing before audiences of their countrymen and, with unabashed brow, asseverating that which they must be aware can be disproved. That is a picture which should cause Canadians to hang their heads with shame. I now dismiss Mr. Mackenzie and his Administration.

I hope I shall not have occasion again to impeach before you a Government of the Dominion or of Ontario for incapacity, wastefulness, corruption, recreancy, or any other delinquency, political or personal. I shall endeavor however in the future as in the past, to discharge any public duty with which I charge myself, fearlessly and to the best of my judgment and ability.

I have the honor to be, Gentlemen,

Your very obedient servant,

D. L. MACPHERSON.

Toronto, 2nd December, 1878.

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POSTSCRIPT.

A REPLY TO THE ATTACKS OF THE HON. GEORGE BROWN.

While the preceding pages were still in the press I gave the proof sheets to the newspapers, and I am glad I did so, for it enables me to notice here what has been said by the Hon. George Brown in the *Globe*, and by the Ministerial organs generally upon my indictment of Mr. Mowat's Administration.

ABUSE NOT ARGUMENT.

Mr. Brown, as I expected, was copious in his abuse of myself. The following are some of the expletives which he introduced into his criticism of my charges: "tricky," "blundering," "systematically incorrect," "dishonest and contemptible," "pitiably and contemptible," "jumbles," "boomerang," "laughing stock," "incompetency," "malice aforethought," "gross fraud," "facing both ways," "contemptible trick," "blundering stupidity," "cat's paw," "deftness," "flagrant dishonesty," "cowardly," "childlike," "arrant cheat," &c., &c. If these coarse terms could truthfully be applied to the text or tables of my pamphlet, it should be an easy matter to refute them. If Mr. Brown could disprove my statements, he would do so calmly and convincingly, instead of raving vituperatively at me and making himself the "laughing stock" of the country. The people are well aware that neither he nor his satellites have succeeded in refuting any of the charges which I have brought against the Mackenzie and Mowat Governments.

Mr. Brown alleges that I included in the Expenditure against Revenue large amounts which were properly chargeable to Capital.

To dispose of this absurd imputation I addressed the following letter to Mr. Brown, but he would not publish either it or my tables. He would not allow the readers of the *Globe* to see them:—

"To the Hon. George Brown, Editor and Managing Director of the *Toronto Globe* :

"SIR,—On my return home, after an absence of more than a week, my attention is called to an article which appeared in the *Globe* of Friday last, commenting on a letter of mine published in *The Mail* from advance sheets of a pamphlet on the public affairs of Ontario, which is now in the press.

“ I expected personal abuse from your pen in return for my exposure of the delinquencies of the so-called Reform Administration of Ontario, and I am not disappointed. Your article of Friday upon me is, I think, the freest and fullest outpouring of the vocabulary which you have made especially your own—Billingsgate—that I have read in the *Globe* since you showered it on a learned Judge for characterizing from the Bench your conduct in connection with your scandalous Big Push transaction, in terms which were milder than were applied to it on the streets by your own friends. The wish may be father to the thought with you that my brief review of the political history of Ontario may not be widely read, for you cannot contemplate with pride or satisfaction your own character as delineated there. You will necessarily be described in every truthful history of Canada as a man of great ability and prodigious energy, as one who for many years probably wielded more potent personal influence than any other individual in the country, as one who might have exercised that influence for good, but did not, and therefore, as one whose name, which might have gone down to posterity as that of a beneficent patriot, will descend as that of a tyrannical political dictator; a narrow, selfish, unscrupulous demagogue. It must also be told that you were never loved but terribly feared by the political pigmies whom you called into existence to do your bidding, and who would never have been heard of but for your patronage of them. I will say to those among them who are at present suspected of meditating rebellion against your authority, that they had better beware. You are still powerful enough in your own party to crush them—the ingrates. It cost you much labour to make them what they are, owing to the general inferiority of the raw material of which they are composed, but, with a few revolutions of the *Globe*, the crank of which is always in your hand, you can unmake and annihilate them. While I am tendering advice, let me suggest to you that the word ‘senile’ should be eschewed by men of your years, especially by yourself, the author of the five hours’ lecture on the ancient political history of Canada, which proved a soporific to so many of your friends at the readings of it, which you gave just before the late general election, and which, it is said, proved fatal to some of your own candidates.

FINANCIAL STATEMENTS UNDENIABLE.

“ You do not and cannot controvert any of my statements of the finances of Ontario any more than you did those which I published on the finances of the Dominion, but you dare not allow them to pass unnoticed at present. You, therefore, resort to the weak device of denying their general correctness in an article overflowing with misrepresentation of the facts and detraction of me. You complain that the tables on which I framed my financial indictment against the Government were not published with the text of my pamphlet. I am not to blame for this, as I sent a set of the advance sheets of the tables with the other matter to *The Mail*. To remove all cause of complaint on this point I send you herewith a set of the tables, and before commenting upon them I beg you will in justice to your readers publish them. I do not ask you to publish them in justice to me. I have never received, and, therefore, I do not expect justice from you.

COOKING THE ACCOUNTS.

“ If you will refer to table No. 5, showing the details of the expenditure for the Administration of Justice, you will discover that it is you and not I who fell into error in respect to the amount for 1877. I stated it correctly at

\$323,885, but you are not much to blame, for you were misled by a bit of cooking in the Public Accounts. The item of \$44,174, to which you refer for Law Reform and Consolidation of Statutes, was placed under the head of 'Miscellaneous.' I transferred it to its proper account, 'Administration of Justice' and I dealt in the same manner with the item of \$4,900, charged in 1876 in connection with the Scott murder in Manitoba.* You will find in the same table the amounts paid to Crown counsel in 1871 and 1877, \$7,987 and \$13,045 respectively. I did not omit them as you suppose. Whether the actual or percentage increase of these items be looked at, it is appalling. Your excuse for the increased expenditure in the Education Department—that it has arisen under an Act passed in 1871, which Mr. Blake opposed—is altogether inadmissible and frivolous. If Mr. Blake were honestly opposed to the Act in 1871, why did he not repeal or amend it in 1872 when he was Premier?

"The Reformers of to-day, when in office, have proclaimed persistently their own incapacity as administrators, by declaring that they have been in almost all things the slavish followers of their predecessors. According to them all responsibility attaches to their predecessors, none to themselves.

INCREASED COST OF EDUCATION DEPARTMENT.

"The increased cost of administering the Department of Education calls for more satisfactory explanation than you have offered. The school tax throughout the country, especially in the more remote districts, is becoming intolerably burdensome.†

"It is deplorable, if what you say is true, that the Ministerial majority in the Legislature should have 'promptly snubbed' Mr. Macdougall two sessions ago for proposing to enquire into the enormous and rapid increase of expenditure in the Crown Lands Department; and did it not go to show that the majority had become unpatriotic and servile?

WHO SUPPLY THE PUBLIC INSTITUTIONS.

"I am glad to see that while heaping insult upon me for exposing the facts, even you dare not justify the concealment of the names of the favoured purveyors for the public institutions. But you say there was no motive for the concealment. The public will be able to judge of that, when the names and amount paid to each are obtained. The people will then see how much of their money's worth has been taken without competition or inspection from grocers and others who are notorious for their self-seeking and for their activity as ward politicians. In the extract you give from Mr. Langmuir's report, it is admitted that groceries and dry goods are not bought by tender. Purchasing supplies on a large scale without competition and inspection is, in my opinion, an extravagant and vicious system.

* In 1872 and 1873 the expenditure in connection with Law Reform and Consolidation of Statutes was charged under "Administration of Justice;" since then it has been placed among the "Miscellaneous," and practically hidden.

† Mr. Brown makes light of this statement. It does not seem to have occurred to him that the more of the Educational Grant that is expended in Departmental Salaries and Contingencies the less there will be for the Schools, and therefore the more the people will have to contribute. They will have to tax themselves more heavily under extravagant than under economical Administration. I fear Mr. Brown's sympathy is with Placemen rather than with toiling Settlers.

FOUR ANNUAL DEFICITS.

“ If you will refer to my statements, Nos. 1 and 14, of the total expenditure and total receipts of the Province, you will discover that the deficits have amounted, as stated by me, to \$2,086,911 for the four years from, and including 1874. Your attempt to distinguish between expenditure chargeable to capital and to revenue is grossly misleading, and is, I fear, intended to mislead. It is a piece of unqualified misrepresentation. You must be aware that no such sub-division of the expenditure of Ontario is made in the Public Accounts. This Province has not borrowed money with which to construct works and buildings, the interest only of which would be a charge on the Revenue, but all the public improvements so far have been paid for out of Revenue. The largest expenditure for Public Works—save in 1873—was in 1871, when it amounted to \$430,620, or \$108,515 more than in 1877. I have, of course, charged it for both years against Revenue. There is no other account to charge it to. There is no ‘ capital account’ in the Public Ledger of the Province. In resorting to manifest subterfuge to conceal the recklessness of your nominees—Mr. Mowat’s Government—you show that you are conscious that the Government cannot be successfully defended. The pledges which were given by its members when they were in Opposition have not been fulfilled, and that Government should not be allowed to exercise any longer the power which, with your support and aid, it has so grievously abused. I reproduce the following statement of the deficits :—

		DEFICITS.
1874—Expenditure	\$3,871,492	
Receipts	3,446,348	
		\$425,144
1875—Expenditure	3,604,524	
Receipts	3,159,495	
		445,029
1876—Expenditure	3,140,627	
Receipts	2,589,224	
		551,403
1877—Expenditure	3,117,413	
Receipts	2,452,078	
		665,335
Total Deficits		\$2,086,911

MINISTERS INCREASING THEIR SALARIES AND THE INDEMNITY TO MEMBERS IN THE FACE OF DEFICITS.

“ Its correctness is indisputable. The result of Reform Government under your patronage, both in Ontario and in the Dominion has been disastrous. What have you to say in defence of the cupidity of the Ministers in having increased their own emoluments by the sum of \$8,450 a year in the face of annually recurring deficits and of widespread depression ; what in defence of their having twice increased the sessional indemnity to members, raising it from \$450 to \$800, when, if changed at all, it should have been reduced ; what in defence of the increased expenditure on legislation generally ? May it not have been intended to sap the independence and purity of the Legislature ?

HOW MONEY IS SPENT IN EDUCATION DEPARTMENT.

What of the increased annual expenditure of \$198,913 in connection with education since 1871, of which \$95,845 was spent in the Departments, and \$24,287 for libraries, fixtures, &c., while only \$78,781 of the increased amount was granted to schools; what of the increased expenditure under the general head of Civil Government, what of the increased amount of the corruption fund styled 'Contingencies' and in that sink of jobbery the Immigration Department?

WASTE INSTEAD OF ECONOMY.

"The people will be glad to receive from you, the real head of the Provincial Government, a satisfactory explanation of the enormously increased expenditure under the self-styled Reform Administrations since 1871. Instead of the promised economy we have had wasteful extravagance, which has produced heavy annual deficits, and is rendering direct taxation inevitable, unless the Administration be changed. I do not say that the whole of the increased annual expenditure has been unnecessary, but I do say that a large proportion of it must have been so, and I fear corrupt.

"Take up my tables *seriatim* and explain and justify the increased expenditure, and endeavour to do so candidly and calmly. Do not rage passionately and recklessly as you did in your editorial of Friday last. It will require more than vehement and groundless assertions, mingled with abuse of me, to satisfy the people that the Ministers whom you placed in office and have kept in office in Ontario have been the faithful stewards you and they promised they should be. I have the honour to remain,

"Your obedient servant,

"D. L. MACPHERSON.

"Toronto, 16th December, 1878."

ADMINISTRATION OF JUSTICE.

Mr. Brown also complains that, when stating the increased expenditure for the Administration of Justice, I did not also state the increased number of prisoners committed for trial. Messrs. Blake and Mowat will not thank Mr. Brown for calling attention to this matter and compelling me to compare the expenditure under Mr. Sandfield Macdonald with that under his successors.

That I may not do injustice I shall quote Mr. Brown's words. They are taken from the *Globe* of the 13th December, and are as follows:—

"The average annual increase in the number of prisoners committed for trial has been 11.37 per cent. during the past ten years, while the average increase on Criminal Justice account has been barely half that amount."

I assume that the number of prisoners committed is correctly stated, but I have not verified it. You would suppose from reading the foregoing extract that the expenditure had increased at about an average annual sum for the last ten years, and the intention no doubt was to convey that impression; but the facts do not support it, as you will see by referring to table No. 5. Omitting exceptional items of expenditure in this Department, the increase

during the four years of Mr. Sandfield Macdonald's Administration, 1868 to 1871, was only \$9,616, or at the average of 1.85 *per cent.* per year, while the increase in the next five years, 1872 to 1876, amounted to the enormous sum of \$95,293, or at the rate of 10.44 *per cent.* per year. *Thus the average annual increase under Messrs. Blake and Mowat was six times as great as under Sandfield Macdonald.**

This is astounding, and is enough of itself to call for the dismissal of Mr. Brown's vicariate in Ontario. The misleading defence of the *Globe* on the increasing expenditure in the Department of Justice proves clearly that Mr. Brown has no regard for the public interest as opposed to the interests of his *protégés* in the Government.

RENEWED ATTACK BY MR. BROWN.

After my letter to Mr. Brown was written he renewed his attack upon my pamphlet (*vide Globe* of the 17th December and succeeding numbers). He charged me with inconsistency, or, as he politely put it, with "facing both ways," for having excluded in my pamphlet on Dominion Finance the expenditure upon Public Works out of Capital down to and including 1872-73, the last year of Sir John Macdonald's Government, while now, to injure Mr. Mowat's Government, as Mr. Brown alleges, I include in the ordinary expenditure certain amounts which were expended in the construction of public works, and should, therefore, be charged to Capital. Lest I should do Mr. Brown injustice I give the following extract from his article, with capitals and italics just as it appeared in the *Globe* of the 17th December.

"Will it be believed that Senator Macpherson in his pamphlet of 1877, *in order to be able to credit a series of surpluses to the Macdonald Government at Ottawa*, EXCLUDES THE CAPITAL EXPENDITURE FROM THE ANNUAL EXPENDITURE, while in his last pamphlet, *in order to be able to charge the Mowat Government at Toronto with a series of deficits*, he INCLUDES THE CAPITAL EXPENDITURE UNDER THE ANNUAL EXPENDITURE.

"In order to make good our assertion, we refer those who have his former pamphlet to pages 58-59 of that precious production, and to his pamphlet just issued. For the benefit of those who have not the documents we give the figures. According to Mr. Macpherson, the Dominion surpluses from Confederation to the change of Government were as follows:—

Year.	Surplus.
1867-68	\$201,836
1868-69	341,090
1869-70	1,166,716
1870-71	3,712,479
1871-72	3,125,345
1872-73	1,638,822

* The items in the expenditure of the Department of Justice charged for "Law Reform" and "Consolidation of the Statutes," although they have gone on increasing for four years, may not become permanent annual charges for those services. The objects may nominally be different, but the expenditure is pretty certain to be continued in some form, for I do not know of an instance of *bona fide* substantial retrenchment by our modern Ontario Reformers.

“ During the same years, also according to Mr. Macpherson, the expenditures on capital account were as follows, excluding the debts allowed to Provinces, of which we give him the benefit :—

1867-68	\$574,208
1868-69	514,023
1869-70	3,671,104
1870-71	3,640,248
1871-72	6,236,349
1872-73	6,005,240

“ During the years 1874-77, according to our pamphleteer, Mr. Mowat’s deficits were as follows :—

		Deficits.
1874—Expenditure	\$3,871,492	
Receipts	3,446,348	
	<hr/>	\$425,144
1875—Expenditure	3,604,524	
Receipts	3,159,495	
	<hr/>	445,029
1876—Expenditure	3,140,627	
Receipts	2,589,224	
	<hr/>	551,403
1877—Expenditure	3,117,413	
Receipts	2,452,078	
	<hr/>	665,335
Total deficits		<hr/> \$2,086,911

“ But included in the above expenditures are payments on capital account for the same years, as follows :—

1874	\$1,529,153
1875	1,540,973
1876	985,442
1877	749,097”

IGNORANT OR DISHONEST.

Every intelligent reader of the above will ask himself whether Mr. Brown is altogether ignorant on the subject of finance, or shamelessly dishonest as a journalist and political leader. I shall first dispose of the Dominion portion of his charge against me.

The Dominion Government has borrowed large sums for the construction of public works. The interest on these loans and the contributions to the sinking fund only are charged in the annual expenditure, and for the obvious reason that these are the only items connected with Capital which are paid yearly. The annual contributions to the sinking fund should suffice to liquidate the loans at maturity, and it is by means of these contributions, through the ordinary annual expenditure out of revenue, that the borrowed capital is repaid. Mr. Brown would have the public to suppose that the Capital annually spent is charged in the annual ordinary expenditure, and that I purposely omitted it. He knows better, but is attempting to deceive the public.

In the case of the Dominion I dealt with the controllable expenditure. I showed how the interest on the debt was increasing, but I did not include it in the controllable expenditure, nor did I hold the Government of Mr. Mackenzie responsible for the whole of its increase. I pointed to the increase of the ordinary controllable expenditure under Mr. Mackenzie's Administration, but of course I did not include in it the capital expended upon the canals, railways, &c. If I had done so the deficits under Mr. Mackenzie, omitting debts allowed to Provinces, would have been as follows :

1873-74.	1874-75.	1875-76.	1876-77.
\$4,365,922	\$5,987,541	\$9,054,903	\$9,403,349

Why did not Mr. Brown show this? Why did he not continue his illustration down to the latest year for which we have the Public Accounts? I presume he saw its absurdity, and that he could not impose it upon the people.

In the case of Ontario, I repeat, there has been no expenditure out of capital, and it is amazing that Mr. Brown should stultify himself by asserting that there has been. It is unworthy of one in his position to misrepresent the facts relating to the public expenditure as he has done. Ontario has had but one purse. Into it all receipts have been poured and treated as revenue; out of it all payments have been made, and these have been regarded as ordinary expenditure out of revenue by all the Governments which have been in power, beginning with that of Mr. Sandfield Macdonald. This was the correct and only way to deal with the expenditure, as will be plain to all except the merest tyros in the Brown new school of finance.

DIFFERENCE BETWEEN CAPITAL AND REVENUE.

Mr. Brown does not seem to understand the difference between expenditure out of capital and out of revenue, but the intelligent people of Ontario, experienced as they are in municipal affairs, do understand it.

If, for example, a Township or County should build a bridge or any other work, and pay for it out of Revenue, that is, without issuing debentures or creating a loan for the purpose, would the taxpayers of the municipality commit the folly of alleging that although the work had been paid for as it proceeded out of the income of the year, yet by some mode unknown to accountants the expenditure should be charged to Capital. Could any pretension be more transparently absurd? And yet it is what Mr. Brown says should be done in respect to the Provincial expenditure!

DIFFERENCE BETWEEN AN ASSET AND A SURPLUS.

Again, Mr. Brown does not appear to know the difference between an asset and a surplus. He actually confounds the one with the other.

I will try to make the distinction between them clear to him by means of a familiar and homely illustration. Suppose he had a handsome surplus at his credit at his bankers, and wishing to add to his herd at Bow Park, bought a

short horn cow, and gave a cheque for her price, say \$20,000, would not his surplus be reduced by that amount? He would have the cow to represent her cost, she would be an asset, but his cash surplus would be reduced, he would have \$20,000 less at his bankers to draw upon. So it is with Ontario. She has built certain asylums, prisons, &c., and these, as their construction proceeded, were paid for out of revenue, but Mr. Brown, with rare audacity, now says that their cost should be regarded as Capital, and should be added to the surplus.

YOUNG MEN'S LIBERAL CONSERVATIVE ASSOCIATIONS.

If Mr. Brown should make the tour of the Province for the purpose of addressing the people on finance and should give utterance to the erroneous ideas which he has expressed through the *Globe* in respect to the Public Accounts of the Province, I will undertake to say that at all his meetings his views would be refuted and ridiculed not only by men of large experience but also by the members of the Young Men's Liberal Conservative Associations—the intelligent youth who constitute the future hope of this country.

During the Administration of Mr. Sandfield Macdonald the sum of \$1,237,261 (see table No. 10) was expended in public works and buildings, but no one speaking on behalf of that Administration pretended that that sum formed part of the surplus. Mr. Sandfield Macdonald's surplus was what the word implies—hard cash or cash securities. If he had not expended \$1,237,261 on public works his surplus would have been greater than it was by that amount.

The buildings and other properties which have been constructed, are probably worth their cost, and may be called assets,—inconvertible assets, but their cost cannot be made to form part of the surplus. A considerable portion of their cost may be said to have been drawn from the surplus, which *pro tanto* was reduced. I have not found fault with the building of institutions for the relief and comfort of the sick and the afflicted, or for the reformation or punishment of the depraved and the criminal, or with carrying out or aiding public improvements, so far as the resources of the Province will allow, but I do complain of the continued billeting upon the public Treasury of partizan purveyors and supernumeraries, of the increase of the controllable expenditure at a time when the expenditure exceeds the income, and I feel it my duty to tell the people of Ontario that the surplus, a good deal of which has been spent extravagantly and corruptly, is being rapidly reduced, and under the auspices of Messrs. Brown and Mowat will soon disappear.

SANDFIELD MACDONALD'S SURPLUS.

In 1871 the Brown Reformers inherited from Mr. Sandfield Macdonald a surplus in cash and cash securities of \$3,647,946 (*vide* Table No. 15), and on the 31st December last it stood at \$2,639,212, or \$1,000,000 in round figures less than in 1871. The equilibrium between Revenue and Expenditure has

been destroyed, the Expenditure of the Province for the last four years has annually exceeded the Revenue, and the deficits in those years amounted in the aggregate to \$2,086,911. Mr. Brown attempts to conceal those deficits under the *debris* of assets which are not only inconvertible, but which entail heavy annual expense for maintenance. Now, whether he has done this from ignorance or—what is more probable—for the purpose of misrepresenting the facts and deceiving the people, matters little. The fact that such untenable and absurd ground is taken by Mr. Brown and the members of the Government, proves these gentlemen to be unworthy to be entrusted with the conduct of the public affairs of an intelligent people.

LATEST DEFENCE OF EXTRAVAGANCE.

The latest defence that I have seen of the increased expenditure by the present Government is that it has been caused by the legislation of Mr. Sandfield Macdonald. The inventors of this baseless excuse must have unbounded confidence in the credulity of the people.

It is Mr. Mowat's extravagant Administration not Mr. Sandfield Macdonald's legislation that has produced deficits. Whoever knew Mr. Sandfield Macdonald, or has learned aught of the leading traits of his public character, must be aware that he never would have permitted the expenditure of the country to have exceeded the revenue. But if any legislation for which Mr. Sandfield Macdonald was responsible proved more costly to administer than was anticipated, why did not Mr. Mowat amend or repeal it? He has had the power to do so for the last six years, and if he has not exercised it he and not his deceased predecessor is responsible for the consequences.

The attempts of the self-styled Reformers—seven years after they attained to supreme power in Ontario—to blame their predecessors for the evils which have resulted from their own mal-administration can only be regarded as puerile acknowledgments of their incapacity. Who will believe that Sandfield Macdonald would have been guilty of doing what Mr. Mowat has done—swelling the annual deficits by increasing his own and other salaries? The “Salary and Indemnity Grab Act” was none of Mr. Sandfield Macdonald's legislation. But then, Mr. Sandfield Macdonald was the head of his own Government. Can it be said with truth that Mr. Mowat is the real head of the Administration which by courtesy bears his name?

ALARMING CONDITION OF OUR FINANCES.

The Ministerial cause must be hopelessly bad when Mr. Brown and his followers are driven to advance pretensions in its defence which are transparently fictitious, delusive, and false. All but they know that a deficit is the amount by which the Revenue of the country falls below the Expenditure, and that according to this, the only rule, the deficits of Ontario have been :—

	1874.	1875.	1876.	1877.
Deficit for.....	\$425,144	\$445,029	\$551,403	\$665,335

These figures demonstrate the alarming condition into which the finances have been brought by Reform Administration—the extent to which the Expenditure exceeds the Revenue. Their accuracy cannot be shaken by Mr. Brown's reckless mis-statements. Intelligent men can calculate for themselves how long it would take Mr. Mowat to spend the balance of the surplus, and to plunge the country into heavy direct taxation. Even the proceeds of the assets to which the Province succeeded at Confederation would, under his administration, only postpone for a short time the advent of direct taxation.* It is with countries as with individuals—if they spend more than their income, disaster is inevitable.

DRAINAGE.

Mr. Brown complains that I included in the expenditure the amounts advanced for drainage purposes. Of course I did, and if I had omitted them I should have done what Mr. Brown has done, misrepresented the state of the public finances. I also entered among the receipts the amounts repaid on account of the drainage advances. Why did Mr. Brown conceal this fact?

TABLES.

The amount of every item which has appeared on either side of the Public Accounts, from 1st July, 1867, to 31st December, 1877, is included in some one of the tables of this pamphlet.

MR. BROWN ON PUBLIC ACCOUNTS.

Has Mr. Brown mastered the Public Accounts of the Province? His criticism of my exposure of the existing extravagance has been not only altogether erroneous, but so reckless and absolutely harum-scarum in character that I am almost constrained to believe that he does not comprehend the subject.

If he had come to me, I would cheerfully have explained it to him, and had he done so, he would have been more profitably employed than in villifying me and in misrepresenting facts which deeply concern the people.

ARBITRATION BETWEEN ONTARIO AND QUEBEC.

Representing Ontario as I did in the arbitration with the Province of Quebec, I early became familiar with her accounts and financial affairs. When referring to the arbitration, especially in view of the manner in which I am being traduced by Mr. Brown and his myrmidons, I think I may without indelicacy say that it afforded me no small gratification to learn that the award of Judge Gray and myself, had been confirmed in every particular by the highest tribunal in the British Empire—the Judicial Committee of the Privy Council.

* See Appendix.

WHAT MR. BROWN SHOULD HAVE DONE.

Instead of advancing the absurd pretension that a portion of the expenditure should be charged to what does not exist in Ontario—Capital Account—Mr. Brown should have spoken in words of warning to Mr. Mowat and his colleagues for treating as ordinary Revenue what is really Capital, I refer to Territorial Revenue, the proceeds of lands and timber. Every farmer who sells a part of his farm, or of the wood upon it, and spends the proceeds knows that he has spent so much of his capital, and that is precisely what is being done in Ontario. The public domain and timber are being sold and the proceeds spent with alarming prodigality. Neither land nor timber can be reproduced, and the revenue from these sources is diminishing and in time will cease. When that time comes, the days of debt and direct taxation will have come, and they are not far distant, if the management of affairs is allowed to remain in the hands of such Reform Governments as have ruled in Ontario since 1871.

EXISTENCE OF CONFEDERACY ENDANGERED BY THIS EXTRAVAGANCE.

The very existence of our Confederacy is seriously endangered by the extravagance, and worse than extravagance, which has characterized the Administrations of the self-styled Reformers at Ottawa and Toronto. The people will not be able long to stagger under the burdens which have been placed upon them by insincere men and incapable Administrators. A large measure of retrenchment has become indispensable, not in the sense of checking useful expenditure but in stopping wasteful administration, and in purging the public service of supernumeraries—the Reform parasites who, through favoritism and corruption, have been fastened upon the public Treasury.

EXPENDITURE OUT OF CAPITAL AND OUT OF REVENUE AGAIN.

I say again that the Capital expended by the Dominion (except the items for interest and sinking fund) forms no part of the ordinary annual expenditure detailed in the Public Accounts, and, therefore, it could not have been included in my statement of the ordinary and controllable expenditure, for the increase of which it was that I held Mr. Mackenzie's Government responsible in my speeches in the Senate and in my pamphlets of June and December, 1877. Ontario, on the other hand, has paid for all her public works and buildings out of Revenue, she has no Capital Account. In the Public Accounts of the Province all expenditure is treated properly as ordinary expenditure out of Revenue, and I had to show it accordingly in my tables.

WHO IS THE TWO-FACED ONE ?

In stating the facts just as they appear in the Public Accounts, both of the Dominion and of Ontario, and as they ought to be presented, how could it be said that I had "faced both ways?" I think I must have satisfied you and all fair-minded men that the odious imputation does not apply to me, and that Mr. Brown when inditing it was well aware that he was penning an unmitigated and wicked slander. I submit that I have proved that it is Mr. Brown who has "faced both ways," and that his criticisms in the *Globe*, of my writings and statements abound with shameless instances of the *suppressio veri* and the *suggestio falsi*—with gross misstatements. What motive can Mr. Brown have for resorting to such unworthy means to endeavor to conceal from the people the delinquencies of Mr. Mowat's Government? He did the same for Mr. Mackenzie's Government!

MR. BROWN'S MISREPRESENTATION OF THE STATE OF OUR FINANCES.

Mr. Brown's distortion of the public expenditure is most culpable and unpatriotic. His mixing, muddling and blundering, (to borrow from his own vocabulary), or worse, are incomprehensible, coming from him,—the journalist of great experience, the long-time political leader, the absolute dictator of a great party, the Finance Minister of United Canada in 1858. Blundering on the part of one invested with so great a weight of responsibility as rests upon Mr. Brown is inexcusable; but, perhaps, it ought not to excite surprise that Mr. Brown should blunder now, for, if he had not often blundered as a leader, his party would not be where it lies to-day. He led it into pitfall after pitfall, and finally, on the 17th September last, carried it headlong over the fatal precipice. Mr. Brown has been an incubus upon his party; yes, and upon the country. It is not strange, therefore, that the members of his party who are endowed with any ability and mental independence, should desire to shake him off; but they will find that a difficult task. The Administrations of Messrs. Mackenzie and Mowat committed many indefensible and blameable acts, but no one of these has been condemned by Mr. Brown—on the contrary, all have been defended by him in the *Globe*—proving that Mr. Brown is not a sentinel of the people. Much of what he has said on the finances must have been intended to bewilder and deceive the public. He does not give the people credit for possessing the intelligence that they do possess.

"ORGANIZED HYPOCRISY."

Think of the hardihood of Mr. Brown—he, the real head of the Government of Ontario and of the late Government of the Dominion, the dictator of the "Organized Hypocrisy,"—accusing any one of two-facedness. Duplicity is the chief characteristic of his Ministerial *protégés* who promised economy and indulged in unexampled extravagance; who promised

purity and revelled in nepotism, jobbery, and corruption, who retained as a colleague a Minister of Finance who actually boasted that he carried a two-faced shield. Mr. Brown should remember his own hypocrisy in writing on the same day editorials upon the criminality of bribing electors and Big Push letters begging for money wherewith to bribe them.

Despite all that Mr. Brown, in the *Globe* or elsewhere, and his followers in their several walks may say in disparagement of me, the people will acquit me of having been guilty of inconsistency or misrepresentation in the statements of the public expenditure of the Dominion and of Ontario which I have submitted to them, and they will see that in attempting to refute or to shake the correctness of those statements, Mr. Brown and his associates have utterly failed and have simply been biting a file.

A CHALLENGE.

The contents of the tables in this pamphlet are taken from the Public Accounts, and I challenge Mr. Brown and the Government of Ontario to an audit of them—if they dispute their correctness—before the highly qualified gentlemen to whom I proposed last summer to submit my tables of Dominion expenditure, viz., the General Managers of the Bank of Montreal, the Merchants' Bank, the Canada Permanent Loan and Savings Company, and the Canada Life Assurance Company, and I am willing also to leave it to the same gentlemen to say whether Mr. Brown's views as set forth in the numbers of the *Globe* from which I have quoted, or mine contained herein, are correct, in respect to Revenue, Expenditure, Assets, Deficits and Surpluses.

I see that Mr. Brown is exercised over the paternity of my pamphlets. If he could refute my statements, he would not be anxious to relieve me of the responsibility of their authorship. When the late Prime Minister wishing to lessen the influence of my first pamphlet with the people questioned my authorship, I denied his false imputation, and denied it only to frustrate his mean design. The people have not complained of my style, and even Mr. Brown's Reformers have found fault only with its plainness. In renewing now the false and silly insinuation in respect to authorship, Mr. Brown is merely casting at me the venom of an unscrupulous partizan and defeated controversialist—defeated, because he foolishly attempted to combat the truth.

In conclusion, I suggest to Mr. Brown that when he has occasion to discuss finance in the *Globe*, he should employ a writer who understands the subject, one who knows at least the difference between Capital and Revenue, and between an Asset and a Surplus, and that he himself should avoid exhibiting again as he did in his comments on the financial condition of Ontario either his unpardonable ignorance as a financier and accountant or his rank dishonesty as a journalist and public man.

D. L. M.

Toronto, 31st December, 1878.

NOTA BENE.

Mr. Brown has devoted an article in the *Globe* of the 7th January to my "Postscript." Instead, however, of discussing the condition of the finances of Ontario with the calmness which the subject demands and which I begged of him to observe, he has indulged in more than a column of what is almost wholly invective, and such of it as is not invective is either a misrepresentation of facts or positive mis-statement. Before dealing with these I must congratulate Mr. Brown upon the progress he has made in his financial studies.

AN ASSET NOT A SURPLUS.

He has actually learned that an asset is not necessarily a surplus. I think Mr. Brown might have acknowledged that he owed his enlightenment on this point to me—to the Bovine illustration which I submitted in my "Postscript," and which placed the distinction between an asset and a surplus so plainly before him that he could not fail to comprehend it. He now treats surplus as capital, and does it as if he fancied he had made a discovery. Every one but Mr. Brown knew that surplus and capital are substantially convertible terms.

SURPLUS AS CAPITAL.

I quote the following extract from Mr. Brown's article which appeared in the *Globe* of yesterday :

"He (Mr. Macpherson) boldly asserts that no expenditure can be made out of capital unless the capital has been borrowed for the purpose. According to this theory, no matter how much money we save each year, and no matter how long we keep on accumulating a surplus, we cannot possibly have any capital to spend until we begin borrowing. A farmer has, for instance, an income of \$1,000 a year, but he spends \$800 of it in farm and household expenses. The other \$200 he deposits in a bank until it amounts to \$1,000, and this sum is, according to Mr. Macpherson, not capital but revenue. When the farmer wants a new house or barn and draws a portion of this fund for the purpose of building one, the expenditure is, according to the same authority, not an expenditure on capital account to be paid once for all, but should be charged as an ordinary item of the year against the year's revenue. The illustration is an exact parallel."

Now, the first sentence is an unqualified mis-statement, as the following extract from my Postscript proves :

“The buildings and other properties which have been constructed, are probably worth their cost, and may be called assets,—inconvertible assets, but their cost cannot be made to form part of the surplus. A considerable portion of their cost may be said to have been drawn from the surplus, which *pro tanto* was reduced.”

MISREPRESENTATION.

Mr. Brown proceeds to declare that the condition of Ontario is an exact parallel to that of a farmer with an income of \$1,000 a year who spends \$800 of it and saves \$200. Could there be grosser misrepresentation? The condition of Ontario for the last four years has been the very reverse of that of the thrifty farmer described by Mr. Brown. For every \$1,000 of annual income the present Government has spent at the average rate of \$1,200, and for the deficits has drawn upon the surpluses (or capital accumulated by Sandfield Macdonald), and which are being rapidly exhausted. I quote again from Mr. Brown's article of yesterday :

“The people of Ontario in matters of ordinary expenditure—including Civil Government, Legislation, Administration of Justice, Education, Maintenance of Public Institutions, Immigration, Agriculture and Arts, Hospitals and Charities, Colonization Roads, Surveying and other charges on Crown Lands, *and all Public Buildings and Public Works*—have had a surplus every year since Confederation. Not a single building, Senator Macpherson to the contrary notwithstanding, is charged to capital; their construction has been in every case charged to revenue and paid for out of revenue.”

The general reader might understand from the first part of this quotation that the annual revenue of Ontario has invariably exceeded the annual expenditure, and the writer of it may have intended to convey that impression. Unfortunately, however, the fact has been otherwise, and the deficits have been what I have shewn. A balance of the surplus still remains, but it is becoming attenuated and will soon disappear.

MR. BROWN'S SOMERSAULT.

In the last sentence of the above extract Mr. Brown turns a complete somersault and admits the correctness of what I have all along contended—that all the expenditure of Ontario has been wholly out of revenue. Why could not Mr. Brown have made the admission frankly instead of being guilty of the paltry misrepresentation implied in the words “Senator Macpherson to the contrary notwithstanding.”

He made it a ground of grave complaint that I should have alleged that the whole expenditure was out of revenue, in proof of which I quote the following article from the *Globe* of the 17th December. The italics and capitals are Mr. Brown's:—

“Will it be believed that Senator Macpherson * * * *in order to be able to charge the Mowat Government at Toronto with a series of deficits,* INCLUDES THE CAPITAL EXPENDITURE UNDER THE ANNUAL EXPENDITURE.”

I leave Mr. Brown to reconcile the two extracts which I have quoted from the *Globe*.

He accuses me of having written "spitefully." I assure him that nothing could have been further from my intention. While I have endeavored to present my views to the public with clearness, I appeal to you and ask whether I have not done so with good temper and with courtesy towards my opponents—courtesy in return for vituperation. The truth is, I have felt throughout the controversy that I had all the facts on my side, and that these must prevail.

GROTESQUE FLOUNDERING.

Mr. Brown's grotesque floundering amid assets, surpluses, revenue, expenditure and capital, afforded me amusement, while his abuse did not disturb my equanimity. I accepted the latter as the strongest evidence of Mr. Brown's inability to disprove my statements, or confute my deductions. I confess I have been surprised that Mr. Brown should not have appreciated more highly the intelligence of the people of Ontario, than to have supposed that he could mystify and deceive them in regard to the Public Expenditure, and also that he should have offended against good taste, which means good sense by meeting my charges with Billingsgate.

RECKLESS RAILING.

To leave him without an excuse for reckless railing, I invited him to an audit of my tables before a competent tribunal; I also offered to leave it to the same tribunal to say whether Mr. Brown's or my definition of the terms assets, surpluses, &c., is correct; but Mr. Brown trimmed so much in his article in the *Globe* of yesterday, that I expect he will soon place himself in complete accord with me in respect to the true meaning of those expressions.

The question which concerns the people most deeply, has been altogether evaded by Mr. Brown, he is unable to answer it satisfactorily. It is, how can the equilibrium between expenditure and revenue—destroyed by Mr. Mowat's Government—be restored? How is direct taxation to be averted?

The necessity for economy was never so pressing as it is at present.

D. L. M.

Toronto, 8th January, 1879.

CONCLUSION.

I shall now bring this letter to a close. I kept it open to answer whatever attacks might be made upon the first part of it, so as to enable me to include my letter and my reply to the criticisms upon it in one pamphlet.

I submit that I have not only rebutted all the charges and insinuations of inaccuracy and misrepresentation imputed to me by Mr. Brown, and the *soci-disant* Reform Press, but have convicted my assailants of what they dishonestly charged me with.

In the Legislative Assembly, on Friday last, in course of the debate on the Address, a member (Mr. Bethune) referring to my charges against the Administration, was interrupted by Mr. Mowat, who is reported to have said, "There is nothing new in them. I do not see why you should pay attention " to them."

Mr. Bethune, with the independence which is characteristic of him, demurred to the last part of Mr. Mowat's observation. He probably felt that unless my charges could be disproved, the Government which he has supported would stand convicted of having obtained and retained Office under false pretences.

Mr. Mowat, in saying that my tables contain "nothing new," spoke what is strictly true, and confirmed my own oft repeated statement, that their contents are taken altogether from the Public Accounts, prepared by the Governments which have been in power since Confederation. But while they contain "nothing new," the submission to you—to the public—of the facts embodied in them, *is* new.

Mr. Mowat did not make known, but concealed the appalling fact that for each of the last four years (to the 31st December, 1877) the expenditure had exceeded the revenue. He did not tell, but concealed from the people, that for those years, the balances stood as follows :—

	1874.	1875.	1876.	1877.
Deficits . . .	\$425,144.	\$445,029.	\$551,403.	\$665,335.

A small portion of the increased expenditure can, no doubt, be justified, and it might be wisdom in Mr. Mowat and his colleagues to apply themselves to the work of justification, instead of luring themselves into the belief that they can treat the grave charges which have been formulated by me as unworthy of notice.

The gentleman who moved the Address, called upon the Leader of the Opposition, with a *naiiveté* worthy of a maiden effort, either to adopt or repudiate my financial statements. I may tell the gentleman that the Opposition have

no responsibility in the matter. The statements were prepared by me, for the information of the people. My reasons for having done so are stated at the beginning of this pamphlet; my right to do it cannot be questioned. If the Government can disprove any of those statements, they had better act upon Mr. Bethune's advice, and do it; he knew of what he spoke when he told them that the people will expect it of them.

As stated on the face of Table No. 5, I transferred the items paid for Law Reform and Consolidation of the Statutes from under the heading of "Miscellaneous" to that of "Administration of Justice." Mr. Brown says, through the *Globe*, that I should not have done this, and so violently does he write upon the subject that it might be supposed I had charged the Government with expenditure which they had not incurred. But there is no question about the expenditure. The money was spent. Mr. Brown dare not deny that. The only question is the very minor one of its classification—under what heading it should appear in the Public Accounts. I found it buried among the "Miscellaneous." That most certainly was not the place for it. When Mr. Blake was Premier and Mr. Mackenzie Treasurer of Ontario, the expenditure for similar services were charged under "Administration of Justice." I agreed with those gentlemen in thinking that that was the proper heading for it to be charged under, and I accordingly transferred it. I maintain I did right. I did not conceal the transfer. On the contrary, I stated on the face of the table that I had made it. In short, I exposed prominently a large expenditure which the Government had practically concealed among the Miscellaneous, and that, I imagine, is the secret of Mr. Brown's annoyance. The people, however, will not be deluded by Mr. Brown's misrepresentation of the matter; they will perceive that I only corrected the Government book-keeping.

You cannot have failed to observe, since the first part of this letter appeared in the newspapers, that while the truth of my indictment of the Mowat Administration has not been successfully impeached by the Government or by its friends and organs, I have been the object of unceasing and virulent personal abuse and insult. Why should I be thus slandered and vilified for no cause other than that of having placed before the people of Ontario a true exhibit of the financial condition of Ontario? The preparation of my statements showing the alarming increase in the controllable expenditure of the Dominion and of Ontario under Reform rule was no light task. It entailed much labor and much expense upon me; but as one interested in the country I felt it an imperative duty to endeavor to awaken the people to a consciousness of the maladministration and extravagance of the Governments of Messrs. Mackenzie and Mowat. My only offence has been the fearless exposure of Ministers who have proved themselves unworthy of your confidence.

Mr. Brown led the personal attack upon me, and the minor Ministerial organs quickly followed the lead of the *Globe*. But, so far as I have have seen, the acme of vulgar scurrility has been attained by a Western

newspaper—the reputed organ of the self-styled liberal wing of the Clear Grit party—by publishing a communication purporting to be a true sketch of my career, but which is a mosaic of falsehoods.

The writer of it, desiring to associate me with what he evidently regards as the lowest type of degraded humanity—the British Soldier!—commenced his untruthful sketch by boldly saying that I had begun life as a common soldier. Many fine fellows, well educated young men, with brave hearts and bright intellects, have taken the shilling in the Queen's service, a service which my Western traducer scornfully flouts, and distinguished themselves afterwards in both military and civil life. But I never was in the Army; my only military service was as a volunteer in Montreal during the winters of 1837 and 1838. I might go on and contradict almost all that my libeller says about me, but it is not worth while. His allegations, like so much of what emanates from the members of the "Organized Hypocrisy," are mainly untrue. In noticing him at all, I have conferred too much distinction upon an anonymous defamer.

I will only add that the impotent anger and vituperation of detected wrong-doers will not deter me from discharging what I may believe to be a public duty.

I again subscribe myself,

Gentlemen,

Your very obedient servant,

D. L. MACPHERSON.

Toronto, 14th January, 1879.

APPENDIX.

The following extract from the *Mail* of the 19th December gives a correct and very clear statement of the assets, liabilities and surplus of Ontario :—

“THE ONTARIO SURPLUS.

“ If the case of the Ontario Government were as honest as Mr. Mowat pretends it is, he would tell the whole story and keep nothing back. His speech at Woodstock the other day was, in the main, an attempt to make the country believe that although he had spent more money than Sandfield did, he had nevertheless added to the surplus. His statement of the surplus as it stood on the 31st December last, was the same as that furnished by Treasurer Wood in his budget speech last session, viz. :—

“ ASSETS.

Investments	\$2,740,000
Dominion Trust Funds	2,699,000
Cash Deposits	564,000
Library	105,000
Municipal Loan Fund Debts.....	153,000
	\$6,261,000

“ LIABILITIES.

Railway Aid Fund.....	\$ 400,000
Railway Subsidy Fund.....	147,000
Railway Grants, 39 Vic., cap. 22.....	393,000
Surplus Distribution	202,000
Quebec's Share of Common School Fund	270,000
Rockwood Asylum.....	97,000
	\$1,509,000

Surplus	4,752,000
	\$6,261,000

“ The cry is : ‘ Sandfield’s surplus was only \$3,000,000, yet though we have added enormously to the expenditure, ours is nearly five million dollars’—isn’t this marvellous finance? That is a dishonest way of putting

“ it. On the 31st December, 1871, ten days after Sandfield’s resignation, the
 “ surplus—vide *Globe* of the 23rd January, 1872, stood as follows :

Dominion Bonds, 5 per cent.....	\$1,193,233
Dominion Bonds, 6 per cent.....	500,000
Dominion Debentures, 5 per cent.....	705,471
Dominion Stock, 6 per cent.....	350,000
Bank of Montreal—Special Deposit.....	800,000
Royal Canadian Bank—Special Deposit.....	90,174
Bank of Montreal—On Demand.....	172,985

Total Surplus.....\$3,811,863

“ It will be seen that in Sandfield’s time the actual investments of the
 “ Province only were regarded as surplus ; and it was not until the eve of the
 “ Local elections in 1875 that Reformers began to make surplus out of any-
 “ thing else. They had spent enormous sums, reducing the surplus largely ;
 “ and it had occurred to them that it would be a capital point if they could
 “ show that though they spent more and saved less, yet they had added to
 “ Sandfield’s nest-egg. Accordingly they laid hands on the Dominion trust
 “ funds amounting to \$2,699,000, and to an estimate of Ontario’s share of
 “ the Ottawa library, viz., \$105,000, the two items amounting in round num-
 “ bers to \$2,800,000. The trust funds are composed as follows :

U. C. Grammar School Fund, 5 per cent.....	\$ 312,769
U. C. Building Fund, 6 per cent.....	1,472,391
Ontario’s share (five-ninths) of Common School Fund, 5 per cent.....	914,247

\$2,699,407

“ This, from the first establishment of the Local Government, has been
 “ regarded as an asset ; and the Dominion Government pays interest on it
 “ to this Province annually. But never until the eve of the 1875 elections
 “ was it regarded as an asset to be included in the surplus. At page 16 of his
 “ budget speech of the 20th February, 1874, Mr. Crooks puts the matter
 “ very clearly :

“ ‘ That (the \$2,699,407) is an amount which we are in a position to de-
 “ mand from the Dominion Government at any time we think convenient,
 “ though it is the desire of the Dominion Government, and the Govern-
 “ ments of Quebec and Ontario, before disturbing those funds, to settle all
 “ questions which remain ; because there are points to be settled between
 “ the Dominion Government and the Province, as well as certain questions
 “ to be settled with the Province of Quebec, and this settlement, to be at all
 “ convenient, must be a triangular one, involving the consideration on the
 “ part of the three Governments of certain items, before the actual money
 “ balance can be arrived at.’

“ Mr. E. B. Wood, the first Treasurer, took the same view both in his
 “ budget speeches and in his argument before the Ontario-Quebec arbitrators,
 “ viz., that these funds should not be held to be cash until the differences
 “ between the two Provinces were settled ; and the Ottawa library fund is in
 “ precisely the same position. The library belonged to Old Canada, or Upper
 “ and Lower Canada, a partnership Confederation dissolved ; but until the
 “ affairs of that partnership are wound up, the money value, or as Mr. Crooks
 “ put it, the ‘ actual money balance’ due Ontario should not be claimed as
 “ cash. But if Mr. Mowat and his friends insist on claiming this total of

“ \$2,800,000 as surplus, then they must also include it in Sandfield’s surplus.
 “ They must either deduct it from theirs or add it to his—it is as broad as it
 “ is long. Deducting it, the surplus on the 31st December last, was \$4,752,000
 “ —\$2,800,000 = \$1,952,000, or \$1,860,000 less than Sandfield’s. Adding
 “ it, Sandfield’s surplus was \$6,612,000 against Mr. Mowat’s \$4,752,000, or
 “ \$1,860,000 more as above.

“ There is another matter. From 1868 to 1873, this Province was com-
 “ pelled to pay to the Dominion Government an annual sum of \$291,000 for
 “ interest on the excess of debt. By the 112th and 118th sections of the
 “ British North America Act a stipulated amount of debt, viz., \$62,500,000.
 “ was assumed by the Dominion, and the excess of debt over that amount,
 “ viz., \$10,500,000, devolved on Ontario and Quebec, the former becoming
 “ responsible for five-ninths, or \$5,833,000, the interest of which at 5 per
 “ cent., viz., \$291,000, became an annual charge on the revenue of Ontario,
 “ and was paid until the Tilley Act of May, 1873, placed the whole \$10,500,-
 “ 000 on the Dominion. During the recent campaign Mr. Mowat more than
 “ once pointed to the large increase in the Dominion debt in 1873, as an
 “ instance of Tory extravagance—concealing from the electors the fact that
 “ the larger portion of that increase was due to the Dominion relieving the
 “ two old Provinces of this debt and the annual charge on it. From 1868 to
 “ 1871 inclusive, Sandfield paid on this account a total of \$1,164,000. From
 “ 1874 to 1877 inclusive, Mr. Mowat has been saved that payment ; in other
 “ words, his surplus ought to show an increase over Sandfield’s of \$1,164,000
 “ owing to the relief afforded by the Tilley Act. To compare his surplus
 “ fairly with Sandfield’s, then, we must deduct that sum from \$1,952,000, the
 “ surplus on the 31st December last less the special funds, leaving \$790,000
 “ as all the surplus Mr. Mowat ought to claim when he undertakes to make
 “ a comparison between Sandfield and himself. If Mr. Mowat has nothing
 “ to fear from an honest comparison, why does he shirk these facts ?”





